

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session – Twelfth Legislature
13th Day

Monday, February 27, 1956

The House met at 2:30 o'clock p.m.

On the Orders of the Day:

OVERLAND TO URANIUM CITY

Mr. H.C. Dunfield (Meadow Lake): — Mr. Speaker, I think members will be glad to know that the first overland trip was made, last week, from Meadow Lake to Uranium City. A letter was conveyed from the mayor of Meadow Lake to the mayor of Uranium City.

They have been hauling fish for some time from about 160 miles below Athabasca Lake, but last week they made this attempt and were successful in finding a high, dry road from Broatch Lake through to Uranium City.

PRESS REPORTS OF SPEECH

Premier Douglas: — Mr. Speaker, I would like to raise a matter affecting the privileges of this House.

In the Saskatoon 'Star-Phoenix' of Friday, February 24th in a report of which the second paragraph begins:

“Amid Government members shouts of ‘sit down’, ‘shut up’ and ‘who wrote that speech’, Alex Cameron, Member for Maple Creek, in the course of an hour-long speech, made these statements . . .”

This description of the meeting of the Legislature was also carried on a number of radio stations, which I presume used the same report as a basis for their comments.

Mr. Speaker, I have checked the transcript with some care. I cannot find record of any member on either side of the House having said ‘shut up’. I cannot find a record of any Government member saying ‘sit down’. I notice that when I arose on a point of order, one member across the way told me to sit down once, and one other member three times; but apart from that I can find nothing to substantiate the accuracy of the report which appears in the press.

Now I think it is somewhat of an abuse of the privileges of this House to give reports which are not accurate in describing the proceedings in the House, and to ascribe to Government members statements which are made by Opposition members, and to ascribe to Government members

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a statement which apparently, according to the record, was not made by any member. It seems to me that that is giving a wrong impression.

I know there was a good deal of confusion and I know that, as you pointed out to us, Mr. Speaker, there were too many interruptions from both sides of the House. I know that Your Honour would like us to desist from it and I, for one, will try to abide by your ruling in that respect. But I think it should be drawn to the attention of the Press Gallery that, if they enjoy the privileges of this House, the condition is that they report accurately. I hope that this matter will be drawn to their attention, and that it will not be necessary to refer to it again.

DEBATE ON ADDRESS-IN-REPLY

The House resumed, from Friday, February 24, 1956, the adjourned debate on the proposed Motion of Mr. Brown (Last Mountain) for the Address in Reply to the Speech from the Throne.

Hon. T.J. Bentley (Minister of Public Health): — Mr. Speaker, I am not going to waste any time with preliminaries. The people who have spoken before already know what I think of the various speeches they have made; that is, those on this side of the House. Members on the other side may learn, as the Session goes on, what I think of theirs.

I note that the members opposite, however, do quite a bit of complaining about the division of air time in the House. It does not seem to enter the heads of the gentlemen opposite that every constituency that has a member in this House has a perfect right to be heard, and to have its point of view stated by its member, in the course of whatever debate happens to be in progress. If that were rigidly stuck to then, obviously, there would be less time for the members of the Opposition than there is now, because the present division actually favours the members opposite.

Hon. Mr. Sturdy (Minister of Social Welfare): — They have ‘The Leader-post’.

Hon. Mr. Bentley: — Yes. Last Thursday the hon. member from Maple Creek (Mr. Cameron) made a speech. It was mentioned here briefly on the Orders of the Day, rising out of a report in the ‘Star-Phoenix’, when the Premier spoke on the Orders of the Day. I may refer to that later on if the opportunity presents itself.

However, I want to deal specifically with the things mentioned in the speech of the hon. member from Maple Creek. I don’t know who wrote the speech. It seemed fairly obvious to us over here that he read the speech, which I believe is against the rules of this House, Mr. Speaker. Whoever wrote it, or whoever read it, certainly made it a diatribe of invective. I think I have never heard such an attempt in this House, or in any other House I have been in against an opposition people, that was de-

signed to do what this one was apparently designed to do. Apparently it intended to impugn the loyalty of every member of the C.C.F. and all their supporters. I don't think that the people in the country who have seen fit to support this Government over here in three different elections – and I think in the fourth one, when it comes, they will do the same; I don't believe they will be too happy to be told that they are supporting somebody who is, or a party which is, disloyal to this country.

Apparently there is a desire on the part of people who have no regard for anything except what they regard as orthodox status quo to impute that anyone who disagrees with them must have some disloyal or ulterior purpose to serve. I think, Mr. Speaker, that people who have that point of view must certainly be narrow in their viewpoints, and bigoted in their ideas, and hardly likely to permit anybody in a country where they rule, or a province where they rule, to have the freedom of speech and the freedom of assembly that those of us on this side of the House believe people are entitled to. Always the advocates of change have been regarded as, or called, 'left wingers' by those who believe in orthodoxy or status quo – or if not 'left wingers', some other name that is designed to cast a reflection on the people who hold a progressive or a forward look and who dissent from the orthodox views that are held by their critics.

Now if there are 'left wingers' (if that is the proper name to give those who have progressive ideas), then there must be 'right wingers', because if you have someone to the left, you must have someone to the right. The 'right wingers' are those who resist any form of change, and the history of the Liberal Party of this province and of this country of Canada has indicated quite clearly that they have resisted most strenuously any form of change which was designed to bring about economic and social justice and take away the privileges of their friends and campaign supporters. Because of that, Mr. Speaker, I am very happy to be among those who are called the 'progressives', and I assure you that I am not consumed with hate of those who disagree with me, as apparently some people are.

He started in by describing the resignation of Mr. Ross Thatcher from the C.C.F. Party as a 'bombshell'. I don't know who the 'bombshell' was support to have hurt; certainly not the C.C.F. Party; certainly it was not a surprise. Mr. Thatcher certainly did not create any excitement in the ranks of the C.C.F. Mr. Thatcher's so called 'bombshell' was just about as effective, so far as the C.C.F. is concerned, as a wet firecracker at a rugby match. Mr. Thatcher is an opportunist. Many of us know that, and that is all right in the business world. A business man must be an opportunist; but opportunism in the House where the laws of the country are made has no place. A man who is going to aspire to be one of the law-makers of his country obviously, in my opinion anyway, should have a philosophy in which he has a deep and abiding conviction.

Some Govt. Members: — Hear, hear!

Hon. Mr. Bentley: — And on this side of the House we have that; and there is no place in the C.C.F. for people who haven't got that type of conviction. Had Mr. Thatcher been the great figure that the member for Maple Creek tried to make him, had he been the kind of honourable man that he should have been, Mr. Thatcher would not only have resigned from the C.C.F., he would have recognized the fact that he was sitting in the House of Commons by virtue of the energy, the effort, the money, the organization, of people who believed in the philosophy which he said he held when he accepted the nomination.

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Some Govt. Members: — Hear, hear!

Hon. Mr. Bentley: — And had he been the kind of man who was true to a definite set of principles, he would have resigned not only from the C.C.F., but from the House of Commons, and then come back to his constituency and said, “I can no longer subscribe to the principles that I subscribed to on the day I took my nomination for you people, and hence I am going to run under a different ticket and see how many people care to support me on my new ideas.”

He didn't do that, and the consequence is that now he sits in the House of Commons as an Independent, drawing his sessional indemnity (which is no small amount) and making no contribution whatsoever, but rather the opposite, toward the programme he undertook to support, and now he is supposed to be a great figure in the opinion of the hon. member for Maple Creek.

It is difficult for me, Mr. Speaker, to understand the reasoning of the hon. member, and I assume his associates believe him when he talks of Mr. Thatcher as having exploded a bombshell in our midst.

Then the hon. member from Maple Creek goes on to describe what he says “the case of a government employee handing out Communist literature in working hours.” He did not give the name. He did not give the place where this was supposed to have happened, or the time of day; nor did he do many of the other things he might have done. I don't know who this chap is. He may have been a Communist, because when you walk around the street, you don't know who, among the people you meet, may have any special political, religious or other ideals. I do know this, though, or at least I am told by the ‘press’, that the Communist party is represented in Canada by the Labour Progressive party, and I have never heard that it was declared an illegal organization. I don't agree with them. I have never been one. I am not one now. I am not going to be one. I have found my political philosophy here in the C.C.F. But here in the C.C.F., we believe that anybody, regardless of his political ideas, as long as they are proselytized in a legal way when they have a perfect right to do so, and that I believe I believe is even the law of Canada, and there we are governed even by a Liberal Party. And yet this member of this House tried by his speech to indicate that the C.C.F. actually engages government people for the public service and pays them during their working hours to go out and pass out literature which has a political tinge.

One thing I am very sure of is that, no matter who this man he referred to is, whether he is a government employee or not, no matter what kind of literature he may have been handing out, or who he was handing it to, he was not paid by any government agency if he did that during working hours. He either had time off, or else he was absent from work, and would not be paid for it.

We would not take any action against any civil servant, or employee of a government agency who went out and passed out Liberal literature or Tory literature or Social Credit literature. We would regard his as having a perfect right to do that very thing in his own time. The hon. member for Cannington (Mr. McCarthy), of course, can't understand that.

Mr. McCarthy (Cannington): — Oh! Oh! Bringing up that again.

Hon. Mr. Bentley: — It is not in the history of their party to understand things like that, Mr. Speaker, so obviously they can't understand it. But so far as we are concerned, that is the way it is.

Then in one of the parts of his speech, as set out on Page 23, he makes a vary violent attack on two top-ranking civil servants who, he says, "attended a sponsored Communist front meeting, called in the interest of Mrs. Sobell." I don't know whether this meeting was called by the Communists or not. Again, as far as I know, the Communists have a perfect right to call a meeting if they want it, as long as they conduct it within the law. That is being done all the time, I hear, by reading the 'press' reports. There is nothing at all to prevent anyone from going to that meeting if he or she cares to, whether he or she is a government employee, or engaged in any other activity in the province.

I don't know what Mrs. Sobell's case was like, I wasn't at the meeting; but it seems fairly obvious that the lady believes her husband innocent of the crime of which he was convicted, and we would not have a very high regard for a wife who had a conviction of that kind who would not explore every possibility to arouse public sympathy and, if necessary, to get funds in order to defend her husband, if she really believed a new trial was necessary.

Mr. Loptson (Saltcoats): — Why did she pick out Saskatchewan?

Hon. Mr. Bentley: — I believe these meetings have been held in other places, Mr. Speaker, States of the Union, and so on, and have been supported by other people. As I say, I am not familiar with this sort of thing, because I had no part in it, and, therefore, cannot speak with authority. What I am saying is that, so far people in this province are concerned, they are free to attend meetings as long as they are legal meetings, and the funny little sneer and smirk on the face of the hon. member for Saltcoats isn't going to alter my mind in that regard, nor will the snide remarks he will probably make when he gets the opportunity to speak. I do want to say to these two civil servants, that they are capable men, have been in the government service for a long while; they are good, law-abiding citizens, they are fathers of families; they are taxpayers and home-owners, and good citizens of this province and of this city, and anyone who tried to cast aspersions upon their characters or to regard them as disloyal to this country, or to impute disloyalty simply because they attended a meeting that doesn't meet the approval of the members across the way, to me is practically un-understandable – or to any member on this side of the House.

The member made a prediction in his speech. He said, "I know when I say these things I will be accused of starting a 'witch hunt'." Mr. Speaker, his prediction has come true, I am now accusing him of having attempted to start a 'witch hunt' . . .

Mr. McDonald (Leader of the Opposition): — Shame, shame!

Hon. Mr. Bentley: — . . . but, I am going to go further than that and predict that, if ever by some unlikely chance he ever occupies one of the benches over here, he will endeavour to put that 'witch hunt' into operation.

Mr. Loptson: — He won't have to go far to hunt.

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Hon. Mr. Bentley: — All right, we'll see whether he said those things or not. We'll see what I base that prediction on. In part of his speech he made this statement – this is a pledge; these are his words as they were recorded:

“You have our pledge. We will safeguard the rights and privileges of these employees, but we will remove from among their midst those who have infiltrated and would bring discredit and disrespect upon the great traditions.”

Those are his words. Senator McCarthy used those words too, and he was repudiated by all the decent thinking people among his associates in the United States.

That's what Mr. Blackmore, the Social Credit member for Lethbridge, wants to have done and recommended in the House of Commons. That's that the Liberals in Saskatchewan now want done – a 'witch hunt' started in order to root out all those who may have ideas with which they do not agree.

Now where does it stop, Mr. Speaker? If the 'witch hunt' were to result in these two people who have been charged, having some notion taken against them, then by association everybody who lives in their neighbourhood and who speaks cordially to them would be treated in the same manner, and all their friends and relatives would be regarded as under suspicion and disloyal to the country in which they live.

Mr. Kramer (The Battlefords): — Bring out your swastikas.

Hon. Mr. Bentley: — I never expect to hear in this province anybody make the kind of speech that the hon. member for Maple Creek made, although I have known, or believed, for many years that that was in the mind of many of them, because it is very evident when you regard the kind of people who get the jobs in the P.F.A.A. He talks of a government employee passing out literature here for Communism in government times. I don't know what kind of literature the guy passed out, but if he wants to know about people spending their time doing political work on public pay, I will tell him about some of his P.F.A.A. people who drive members of Parliament in government cars, take them to public meetings, and preside at the meetings at a time when they are drawing a salary from the taxpayers of Canada. You can go through P.F.A.A., P.F.R.A. and Indian Affairs and find exactly the same situation there.

Mr. Lopton: — What of the C.C.F. employees?

Hon. Mr. Bentley: — Certainly there is no question that anyone who incurs the displeasure of the gentlemen opposite is going to be disciplined if, as I said, by some unlucky chance they ever occupy the benches on this side of the House.

Mr. Lopton: — Won't be long now.

Hon. Mr. Bentley: — You haven't a ghost of a chance, Mr. Speaker, they haven't a chance, but they like to whistle in the dark, or whatever it is that they do to keep their spirits up.

Do you want some more proof, Mr. Speaker? I will refer you back to 1948, where Liberal members of Parliament, highly respected, long-time members of the Liberal House of Commons, notably particularly the hon. member at that time for Temiscouata, Jean-Francois Pouliot, who is not Senator Pouliot, when dealing with the Bill of Rights on April 12, 1948, and the record is on page 2876 and 2877 of Hansard of April 12, 1948. There is a list there as long as a wet week of people they called Communists or dupes of the Communist party. I haven't the time to read that whole list, but the reference is there. I will read you some of them outside of Saskatchewan, first, to see who the Liberal and the Social Credit Party named as Communists in the House of Commons: Dr. Sidney Smith, President of Toronto University; Mr. R.K. Sandwell, Editor of 'Toronto Saturday night'; Mr. J.E. Atkinson, millionaire owner of Toronto 'Daily Star'; Oakley Dalgleish, Editor of Toronto 'Globe and Mail'; Victor Sifton, Publisher of the Winnipeg 'Free Press', "The Regina 'Leader-Post' and the 'Saskatoon Star-Phoenix'.

Mr. Danielson (Arm River): — He must have got the wrong list.

Hon. Mr. Bentley: — It is in the Hansard, Mr. Speaker. Any member over there who has the desire and the intellectual honesty to want to confirm these statements, will find it in the reference I have given.

Mr. McCarthy (Cannington): — It's too long.

Hon. Mr. Bentley: — Of course it's too long. These gentlemen over there are like the people in one office I saw where they had a sign up on the wall reading, "Our minds are made up; don't confuse us with facts."

But to go on, Mr. Speaker, these people from outside Saskatchewan: Grant Dexter, writer for the Sifton Press; Dr. A.W. Trueman, President of the University of Manitoba. Now we get to Saskatchewan, and I picked a few here.

Mr. Danielson: — What about the Wheat Pool? Is Watson Thomson there?

Hon. Mr. Bentley: — I only picked a few from Saskatchewan. As I say the list is too long for me to read, but it's there for anyone else to read that wants to; but from Saskatchewan: Premier T.C. Douglas; Hon. J.W. Corman; Dr. F.C. Cronkite, Dean of Law at the University of Saskatchewan; Mr. F.T. Appleby, President (at the time) of the United Farmers of Canada; Mrs. Marjorie Cooper, a well known and highly regarded lady of this province for many, many years. She was named among those that the Liberals described as Communists or dupes of the Communist party; Rev. J.P.C. Fraser; Rev. Homer Lane; Dr. H.C. Newlands; G.G. Palmer; A.B. Rose, a retired Deputy Minister of Education of this government under the Liberals, when they were in power.

This is the kind of thing they will do, Mr. Speaker. I am not saying these people whose names I have read off have done anything wrong. I am saying that when these people opposite start one of their 'witch hunts', there is no limit to the distance they will go in order to ascribe guilt.

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The hon. member from Maple Creek accused the Deputy Minister of Labour of making a false statement. That Deputy Minister of Labour is a highly regarded civil servant, and has been in his post for a long time. He cannot come in the House here and defend himself. What the member from Maple Creek said, if he had used unparliamentary language, is to call the Deputy Minister of Labour “a liar”, when he said he made a false statement. I will challenge the member from Maple Creek to go out in the public and face Mr. Elkin to his face, and there tell him he made a misstatement or call him a liar, if he has the courage to do so . . .

Mr. Erb (Milestone): — He has no courage . . .

Hon. Mr. Bentley: — He then goes on to attack Mr. Speaker. Now I am not going to attempt to defend Mr. Speaker.

Mr. Loptson: — He didn't attack him.

Hon. Mr. Bentley: — He is well known, loved and respected by thousands of people in this province. He has spent many years endeavouring to bring to the people ideas and proposals that will bring a practical solution – not a dream in the sky, but a practical solution to those things that trouble them; “to raise”, as the Premier frequently says, “the fallen, and to bring them up to a degree of dignity and respectability and economic security as far as possible.” I say he is known, respected and loved by thousands, and he is quite capable, when the opportunity presents itself, of defending himself and I will not do so. But I will say, Sir, that if the member for Maple Creek or any member opposite things Mr. Speaker has committed any improper action, he has his recourse, and it is his duty to that that course, and that is to move a substantive motion in this House. That will give Mr. Speaker an opportunity to leave the Chair and then deal with the charges laid against himself, if the member or anyone over there has the courage to do that.

There is only one alternative to that, and that is the duty he has, having made an attack on Mr. Speaker; there is only one alternative, and that is to make a humble and public apology for his unwarranted attack.

No, I don't think the member for Maple Creek has the moral courage to do that. I would be most happy if he would, and it would revive my good opinion of the hon. member which had to undergo some agonizing reappraisal last Thursday afternoon.

The member for Maple Creek says “the dignity of man is the Christian concept” and yet he has done his utmost, Mr. Speaker, to strip of their dignity some people in this House, and people outside the House, who could not defend themselves. I would suggest that he take another look, a good long look, at the Sermon on the Mount, and reread the Golden Rule. He will find that the Golden Rule states the exact opposite to the philosophy the gentlemen opposite appear to have, which is David Harem's rule “Do to the other fellow what you think he would like to do to you, and do it first.”

Later in his speech, the hon. member makes an attack on me for writing a letter to the National Peace Conference. He has got his dates mixed a bit. It was not in 1950 I wrote the letter, it was in 19852. I think maybe it might be all right, Mr. Speaker, for me to put that letter on the records of this House. I see no reason why it should not be done. Those who are listening have a

perfect right to know what I wrote and why I wrote it. I was invited by some folks to attend that Conference; I didn't want to go. They asked me then, would I care to make any comment about the agenda they proposed to discuss at that Peace Conference in Massey Hall on May 10th and 11th of 1952, and I said, yes, I would write, and I did. I am going to quote the letter right now, Mr. Speaker, so there wouldn't be any doubt in anyone's mind about what was in my mind when I wrote the letter, and I addressed it to:

“National Peace Conference,
289A Church Street,
Toronto 2, Ontario.

Dear Sirs: —

I have been asked to send a comment to the National Conference for Peace, Arms Reduction and Trade, which is to meet in Massey Hall on the 10th and 11th of May, 1952.

I have noted the main headings of the topics for discussion are:

- (1) Signing of a pact of peace among the world's five great powers; the U.S.A., the U.S.S.R., Great Britain, France, and the People's Republic of China;
- (2) For the admission of the People's Republic of China into the United Nations;
- (3) A programme to reduce armaments by agreed amounts in a limited period of time. Such a programme to begin at once and to be carefully supervised;
- (4) The development of trade among all nations of the World.”

These are the four headings; my comments now follow, Mr. Speaker, and I quote again:

“With regards to No. 1, no possible harm can come to the World, if a pact is signed in good faith by the five great powers named, by which each promises not to make war against any of the other four powers. Much imminent danger will be removed by the banning of the manufacture of man's destructive weapons and by our accompanying agreement to scrap such weapons as are now in existence. Undoubtedly the great mass of working people will breathe easier if an arms reduction programme can be agreed on by all nations of the world.

In my opinion, however, such a programme would require international controls, such as would mean unrestricted access to every part of every country, which might become party to such an agreement. Government at the international level would seem to be a more desirable agency through which to accomplish such an objective.

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With regard to No. 2, events in China have resulted in a different government being in power in that country, than was in power during World War Two. This has happened in many other countries, which are and have been members of the United Nations from the start. A change of government in any country should not have the effect of excluding that country from participation in United Nations affairs.”

The people of any country are responsible for the selection of its government and that government has the responsibility of representing its country on the councils of the United Nations. It is illogical to exclude the present government of China from the U.N. However, once seated, it would have the obligation to take part in all U.N. affairs, including specialized agencies such as the World Health Organization, etc.

No. 3 was dealt with in No. 1. The desirability of the suggestion contained in No. 4 is so self-evident that I doubt if any strong voice will be raised against it; but the method of achieving freedom of trade is the great point of controversy. I heartily support any move which will result in greater development of world trade to the point where trade is unrestricted. In the process of hammering out the methods it is my opinion that no nation has the right to abstain from taking part in the negotiations attendant in producing the desired result, no matter how much adjustment is required by it to conform to the agreed method.

In conclusion, may I state that, in my opinion, no nation can adjust itself to politicise designed to result in any of the objectives envisaged by the four points without giving up much of what is now called ‘sovereign rights.’”

Then I finished:

“Attached is \$1 which is the fee required for correspondence. I sincerely hope your deliberations will be successful.”

Mr. Speaker, am I supposed to apologize to someone for that? That’s exactly what I think, and I think that opinion is shared by every member on this side of the House, and by all right-thinking people in this country. I think the contents of that letter, and the things I stated, while they might be better written by more people in the writing field than myself, would meet the approval of many, many people who presently on the Ottawa scene would support the Liberal Party, because of other reasons. I make no apology, Mr. Speaker, and I will say this, that whether it’s a Liberal, or a Tory, or a Social Credit, or a Communist, or a C.C.F., or a church organization, or anyone else that wants to promote something that they believe and can convince me might have some effect in helping the cause of peace along, I will support that and pay \$1 anytime to write my comments regarding it.

Mr. Speaker, that doesn’t make me disloyal. In my humble way, I served this country in the Armed Forces to the best of my ability, and the only brother I had did the same thing. Three of my sons served in the last war, and we are as loyal Canadians as anybody in this House.

Hon. Mr. Sturdy (Minister of Social Welfare): — How did the Soldier Settlement Board treat you?

Hon. Mr. Bentley: — The member goes on at length to charge that civil servants have been unjustly fired. After his previous statement, I quoted here a while ago, that “They are going to search out all those who have infiltrated the civil service with ideas which they cannot agree with”, then to come along and charge us with having fired civil servants who were proven incompetent, not because their ideas were different; but I think I know who he is referring to. I think the hon. member knows himself that the person he is referring to actually carried a card, and was a member, of the organization I represent; but when he was found to be incompetent that did not save him. When he became incompetent and was unable to carry out his duties then, obviously, there was nothing to do but to let him go.

The member has done another thing which I find a little difficult to explain and to understand, and how he did not raise a storm of protest in some other quarters when he made it, is a bit amazing to me also. But to me it was a greater bombshell than Mr. Thatcher’s resignation from the C.C.F. Party. The member has accused the judges and the magistrates of this country of having lost all sense of dignity and honour by allowing themselves to be relegated to the position of “Order-takers.” On this side of the House we have great esteem and honour for judges and magistrates, and these judges and magistrates must, to some extent, feel rather humiliated by the insinuation of the hon. member across the way that “they would accept without protest the role of order-takes.” Certainly they are not order-takers. They are the same honourable gentlemen they have always been, and are not the kind of people that are described by the hon. member for Maple Creek.

Mr. Cameron (Maple Creek): — Your legislation is fast making them that way.

Hon. Mr. Bentley: — Well, Mr. Speaker, he says our legislation has made them that way. I have known of cases of judges when they have viewed legislation, have said that it was beyond the powers of the government to do it, and if the judges of this country and the magistrates felt that way about our legislation (I believe they have on occasions), they would bring it to the attention of the government and the public. I don’t think they can be very happy about the suggestion of the hon. member from Maple Creek that they are just a bunch of ‘jelly fish’ that will be pushed around by any government in this country.

Mr. Loptson: — They have to learn from yours.

Hon. Mr. Bentley: — I didn’t hear the comments, so I won’t try to reply to them, Mr. Speaker. The member did another thing that I was a bit amazed at. He was most unmannerly in his method of doing it. He tried to lead the listeners to believe that an article in ‘Saturday Night’ of December 10, 1955

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expressed the opinion of that paper. It was drawn to his attention by the Premier that the article was written by Mr. Irving and did not represent, as any written article does not represent, the editorial opinion of the publication it appears in. Did the hon. member apologize for having ascribed a policy to 'Saturday Night' which was not proper? No.

Mr. Cameron: — Mr. Speaker, on a point of order. That was not on the listeners, because it wasn't on the air in the first place, and in the second place the Premier asked who it was, and I gave him the name of the article and the man. I asked the Premier if he knew the man, and he said, "Yes, I do." We established that this man had written the article.

Premier Douglas: — The hon. member proceeded then to say that "this is their opinion."

Hon. Mr. Bentley: — Yes, it's in his speech here; I can find it if necessary. It wasn't on the air, I will agree; but he had listeners in the House. There are other people who listen to these debates besides those who are out on the air. However, I want to point out that if the hon. member from Maple Creek thinks he can convince people that the C.C.F. is a "spent force" because Mr. Irving says so in an article in 'Saturday Night', let me see what 'Saturday Night' thinks about other things. If we are going to take them as an authority, let us take their editorial opinion as an authority. This is their editorial opinion. I am going to read the article right off the front page.

Premier Douglas: — Same issue?

Hon. Mr. Bentley: — No, this is the issue of February 18, 1956. While it has no particular bearing on this debate any more than the article (he quoted) by John Irving had on this debate, nevertheless this is germane to the things he was trying to suggest, that the C.C.F. is a "spent force" and 'Saturday Night' says so. Let us see what they say about the Liberals; and I will quote now from the front page:

"Feb. 18, 1956 — Some Canadians have professed to be shocked by the revelation that this country has been selling arms to nations outside the North Atlantic alliance. Such innocence is charming but scarcely realistic or even reasonable. The quantities sold have been modest, and, in any case, there is nothing evil about such sales as long as the Government approves of the purchasers and the use to be made of the weapons, and does not try to hide the transactions from public scrutiny. The shocking thing about the Canadian sales is that the Government knew so little about them until Ministers were forced to give proper answers to questions in Parliament."

"The Minister for External Affairs, Mr. Pearson, after some sorry fumbling by himself and Prime Minister St. Laurent, got around to telling Parliament about the principles and procedures adopted to ensure that sales of arms do not add to the troubles of 'sensitive areas' or create trouble in less touchy spots. It would have been a reassuring statement if Mr. Pearson had demonstrated earlier that he knew what was being sold and where it was going. There is not a more

sensitive area on earth than the Middle East, yet it took the Minister nearly two weeks to give the House of Commons an adequate answer to questions about shipments of aircraft and other material to countries in that explosive part of the world. The amounts sold were too small to disturb the balance of military power in the Middle East, but Mr. Pearson's performance cannot be so simply dismissed. It showed lack of responsibility by the Minister himself and indicated carelessness by the Government as a whole."

"Such slipshod behavior by cabinet ministers would be inexcusable under any circumstances. Coming so early in a new session, after a year of drift and contradictory statements of policy by the Government's leaders, it gives new force to the belief that the St. Laurent administration badly needs some revitalizing and unifying force. This should come from the Prime Minister. His is the responsibility of leadership, but apparently he is content to let his colleagues in the Cabinet muck about as they wish. The result is the sort of irresponsibility and mismanagement shown in the matters of arms sales, and there will be no end to it until Mr. St. Laurent either takes a firmer grasp of the reins of leadership or turns them over to someone with stronger hands."

That, Mr. Speaker, is an editorial from 'Saturday Night' of less than two weeks ago. That is the editorial opinion. Now then, if the members opposite want to try and convince this country that the opinion of John Irving, whose opinions in his articles, generally speaking, aren't worth too much anyway; if they are trying to convince people that Mr. Irving's opinions represent 'Saturday Night's' opinion in the first place and, in the second place, indicate a falling-off of support of the C.C.F. in this country, then what do they think the editorial opinion with regard to their Liberal Government at Ottawa means?

Mr. McCarthy: — I think it is a Tory opinion.

Hon. Mr. Bentley: — Mr. Speaker, the hon. member for Cannington says this is a Tory opinion. We have always said that there was no difference between the Liberals and the Tories. Now in one case they want to say a Tory opinion against the C.C.F. is worthwhile, but now, when it is a Tory opinion criticizing the Liberal government, then of course, it is a Tory opinion. I assume the implication of the interjection by the member for Cannington was that the Tory opinion in respect to the St. Laurent government is not worth considering. He can't have it both ways, Mr. Speaker. I know they would like to have it both ways, but that is the situation as I see it.

Now, I think the thing we have to make up our minds to in this country is, are we going to have free speech or not. Is this country going to be governed by people who, every time they see someone doing something that they regard as unorthodox or not in conformity with their own particular opinions, or with the opinion of one among them with the biggest and the loudest voice, who dominates the rest of them; are civil servants and citizens generally going to be subjected to the disciplinary measures that are envisaged in the

paragraph that I read from the speech of the hon. member from Maple Creek? Are we to go ahead expecting that in the future we don't dare go to a meeting; we don't dare meet anybody on the street, we don't dare assemble, and civil servants must be relegated to the position that he ascribes to the judges and the magistrates, order-takers without an opinion of their own? Now are we going to get competent people to fill positions of responsibility, who must make decisions on administrative matters, if they are not going to be relegated to the position that he ascribes to the judges?

It is fairly obvious, Mr. Speaker, that the whole speech represents the opinion of the Liberal Party in this province and in this country; and that every word of it was meant, that they would ascribe disloyalty to anybody that doesn't agree with them; that they will so shackle the civil servants in this country, that they won't dare act as free citizens, and that they will smear everybody that comes in contact with someone who does one of those things with the charge of disloyalty or some subversive activity, or whatever they care to ascribe to them.

I want to mention something that was brought up by the Premier on the Orders of the Day. I won't do like some of the Liberals in the House of Commons and ascribe something ulterior or whatever might be regarded as ulterior to the gentlemen in the Press Gallery; but I want to mention that the reporting they have done in the 'Star-Phoenix' covering the speech of the hon. member from Maple Creek is very inaccurate, and if I were speaking to one of them alone, I would use a much stronger term, and I will when the opportunity comes, if I know who did it, and he did it deliberately. To describe the situation in the House, as it was described in here, is most misleading, as misleading as anything can be. Now the press is listening to what I am saying. They have an opportunity to defend themselves in the press, but I suggest to them that they read the script of the speech of the hon. member for Maple Creek on Thursday of last week, and challenge them to find one place in there where one member on this side of the House told a member on the other side to sit down. There are several occasions when members over there, two at least that I remember of, shouted to members on this side to sit down.

Mr. Danielson: — What about you?

Hon. Mr. Bentley: — It's in the script. I suggested that the press people read the script and they will find statements in there where members on the opposite side of the House call to members on this side of the House to sit down. That is there before you. If the reporter reported it correctly, and his editor blue-pencilled it, or changed it to suit his own purposes, I don't know; but the report itself is absolutely something which no one with any degree of honour would try to do. Certainly it was an attempt to make the uproar that did take place for a moment or two, because of misstatements of the member from Maple Creek (Mr. Cameron), appear as though the whole Government side of the House was a rowdy bunch, and all of the members opposite were lily-fingered gentlemen! If there were any uproar in this House members opposite caused most of it.

Mr. Speaker, I have dealt with the speech by the member from Maple Creek. There are many, many more things that could be said, but I think the description I have given of it would indicate quite clearly what we

can expect in this country from the Liberal Party, or what we can expect from the Social Credit Party, by my short reference to the member for Lethbridge, in his actions in the House of Commons.

Another thing I want to mention before I sit down is that these people across the way, Mr. Speaker, complain a lot because they say the C.C.F. deals too much with the Federal policies. I think it is unrealistic for the gentlemen opposite, or anyone else, to expect that the people like us, who are vitally concerned with the welfare of the people of Saskatchewan, and have done so much to try and improve that welfare in the fields where we have jurisdiction, not to have concern for those people in the fields where we do not have jurisdiction. To expect that, I say, is completely unrealistic. It is our intention, and I will tell the hon. gentlemen opposite, that every time Federal policies interfere, or in any way create an obstacle, in the advancing welfare of the people of Saskatchewan, we will be criticizing that Federal government to the very best of our ability, and with all the emphasis at our command.

If the gentlemen opposite think they are going to frighten us into sticking to some of the local issues, and leaving unchallenged the things done by the Federal government because of their inattention and lack of sympathy for western problems; if they think we're going to leave that without any comment whatsoever, then they are badly mistaken.

Now, Mr. Speaker, I promised one of my colleagues that I would not overstay my time this afternoon. There are many things that I propose to say in various debates that will take place in this Legislature before it prorogues. So, with the few comments I have made, I emphasize again that, so far as this Government is concerned, everything will be done to safeguard the right of people to have freedom of speech, freedom of assembly, freedom of religion, freedom of all those things that are worthwhile having, if we are going to have the Christian concept of the dignity of man. He will not be misled by the kind of speeches made by the member from Maple Creek.

Mr. Speaker, I gather you know I will support the motion.

Mr. W.S. Thair (Lumsden): — Mr. Speaker, I would like to associate myself with the previous speakers in this debate, and congratulate the hon. member from Last Mountain (Mr. Russ Brown) and also the hon. member from Kinistino (Mr. Begrand), who moved and seconded the Address in Reply to the Speech from the Throne.

The Golden Jubilee of the province of Saskatchewan has indeed been a memorable year, and I wish to pay tribute to those who laid the plans, and so ably carried them through, and for the fine co-operation shown by the people of Saskatchewan, whose response was so warm and whole-hearted. In my constituency of Lumsden, Mr. Speaker, there were many celebrations. Perhaps the most lasting project was the erection at the Old Crossing of a beautiful stone cairn and plaque to the memory of the first group of settlers who came there in 1882, into the district of Wascana, comprised of seven young men from Ontario who travelled by train to Brandon and then by ox-cart to Regina plains, and settled some 14 miles northwest of Regina. Of this group, Mr. Fred Tait later became the Conservative member for Lumsden constituency as constituted at that time. I might add that, in conjunction with the unveiling of this cairn, we celebrated also the anniversary of the Wascana School District No. 29.

Mr. Speaker, the financial condition of the farmers today in Saskatchewan is possibly worse than it has been for 20 years or more. The western grain farmer today is caught in a cost-price squeeze. Very large quantities of wheat are

held over in many areas, unable to be delivered because of the lack of space in the local elevators. I might add that the farm costs in production of wheat have increased by 6 per cent in recent years, while on the other hand, because of low prices and slow markets, the farm income has dropped by more than 60 per cent. Most of the farmers in my country believe we should have a domestic price for wheat. There may be federal matters, Mr. Speaker, but like so many of our problems they can be solved only by the Federal Government in Ottawa. We should have a new domestic policy for wheat. Actually the wheat farmer has been subsidizing the price of bread for more than 18 years. The C.C.F., the Saskatchewan Wheat Pool, and the Saskatchewan Farmers' Union urges a domestic wheat price of \$2.05 a bushel, which would make a difference of not more than one-half to one cent per loaf of bread to the consumer. This might be looked upon as a subsidy to the farmer. I might say that the farmer would not be in need of a subsidy, if he received a just price for his products, particularly wheat. The gold-mining companies have received subsidies, over the years, of from \$16 million to \$20 million a year, not to mention the subsidies in the form of high tariffs to most industries in eastern Canada.

In the world at this time, Mr. Speaker, the wheat prices are actually made by the government. It is utterly nonsensical to talk of a return to the open market for the selling of Canadian wheat. A recent report of the United States Department of Agriculture showed that, actually, more than 96 per cent of the wheat that is produced in the world is marketed under government price support, in both the 1954 and 1955 crop years. The guarantee in prices to wheat producers in various countries range from 97¢ in Iran to \$4.50 in Chile. The government guaranteed prices in some countries in the 1955 crop year were as follows:

United States	- \$2.24 per bushel	Germany	- \$2.83 per bushel
Great Britain	- 2.30 " "	Italy	- 3.05 " "
Argentina	- 2.72 " "	France	- 4.19 " "
Uruguay	- 2.96 " "		

This leaves Canada's government guaranteed price of \$1.40 per bushel just about the lowest in the whole world.

So far as the open market is concerned, with its dependence on speculation, we could not possibly operate under the conditions that existed in the open market in past years. Under these conditions, with the Grain Exchange handling the farmers' wheat at a floor price of \$1.40, that figure would be the actual and the final price that the farmer would receive for his bushel of wheat. Western farmers, and western farm organizations of all types are solidly behind the Canadian Wheat Board to market our wheat and coarse grains. In fact, the operations of the Canadian Wheat Board during the past years has no doubt saved many farmers in the three prairie provinces from a possible grave financial loss. I can myself recall the low price of from 25¢ to 40¢ per bushel in the 1930's, under the open market. The Canadian Wheat Board, by the way, has marketed 1¼ billion bushels of wheat from the 1951-52 crop to 1954-55 crop inclusive.

Mr. Speaker, because of the solid support of the Wheat Board among western farmers and farm organizations, one cannot understand the action of the Canadian Chamber of Commerce at their annual convention this past summer. The Edmonton Chamber of Commerce presented a resolution which I have here, endorsing the marketing of wheat through the Canadian Wheat Board, but the main body of the convention stood firmly for so-called 'free enterprise', and fought against government participation in the marketing of wheat.

In the debate that followed, according to the Saskatoon 'Star-Phoenix' of October 6, 1955, the cities of Winnipeg, Regina and Saskatoon opposed the stand taken by Edmonton in support of the Canadian Wheat Board.

Mr. Speaker, there is not a single Grain Exchange operating freely in the world today. It is not significant, then, that, in an agricultural economy which is based largely on wheat, our Chambers of Commerce failed to support the Canadian Wheat Board. In the words of 'The Farm and Ranch Review':

"The attitude of the Canadian Chamber of Commerce in this matter is a kick in the teeth for the grain producers of western Canada."

Mr. Speaker, the farmers of western Canada, particularly of Saskatchewan, are much concerned about their present economic condition, despite a statement made to the contrary by the Hon. C.D. Howe and the Hon. James G. Gardiner. As I said before, western farmers are caught in a squeeze of declining revenue on the one hand, and increasing costs of production on the other. They are facing great difficulty in maintaining their standards of living as comparable to other segments of our economy, and it must be remembered that in Canada, agriculture is supposed to represent some 21 per cent of the total population, but it only receives some 9 per cent of the total national income.

Mr. Speaker, the Saskatchewan farm organizations, particularly the Farmers' Union, the Saskatchewan C.C.F. Government and the great majority of wheat farmers are in favour of the cash advances on farm-stored grain, as you no doubt are well aware. The majority of Saskatchewan farmers and farm organizations, including the Canadian Federation of Agriculture of the three western provinces, are insisting on some form of price support, or price protection for their farm products.

I understand that away back in 1880, the Federal Government imposed tariffs on manufactured goods from other countries to increase industrialism in Canada. After the First World War, trade and industry expanded rapidly under protective tariffs, and though no longer needed, the tariffs still remain, despite our dependence on trade with other countries.

Regarding this matter of Canada's trade relations, I might quote from Mr. James S. Duncan, President of Massey-Harris, who made a statement before the Gordon Commission on economic prospects, as follows:

"Unless there is some improvement in Britain's trade position with Canada, the United Kingdom will have to consider some further reductions in Canadian imports."

In pleading for a greater volume of trade with Britain, he said:

"For the first nine months of 1955, Great Britain had purchased from Canada \$300 million more than Canada had purchased from Great Britain".

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He also called for more even division of Canadian imports from the United States and the United Kingdom.

For 40 years, Mr. Speaker, western farmers fought a losing battle for so-called 'free trade'. In recent years, the farm organizations, particularly in western Canada, have been urging instead a price support for farm products. Something similar to that, perhaps, is in operation in the United States. In 1940, the Federal Government imposed price ceilings in Canada with the understanding and assurance from the Prime Minister of Canada (the late Mr. Mackenzie King,) that price supports would be provided for farm products after the war years. Today, in western provinces, we have a form of price support for some products, or rather a floor price, to packers and processors of farm products, while in western Canada the prices to the producers of farm products are down, and everything we buy in manufactured goods has risen steadily.

The Canadian Federation of Agriculture issued a statement recently to this effect:

“If governments are unwilling or unable to do more to reduce these high costs of production in the field of agriculture, then they are obliged to give much more attention than they have been doing to support farm prices.”

I would like to review some of the achievements, Mr. Speaker during the past 11 or 12 years that I have been a member of this House. The Government Insurance office was inaugurated in late 1945, and has today a total insurance greater than that of any other insurance company in Saskatchewan. In the field of general insurance, the increase in business has been remarkable. At the present time there are 630 agents selling Government Insurance in the province of Saskatchewan. The total premium income for December, 1954 was \$27 million. Government Insurance in the province has reduced the rates of insurance considerably, and an amount of some \$30 million has been paid in policies over the years. This has actually saved the Saskatchewan people, it is believed, some \$2 million in premiums paid.

Saskatchewan Government Airways has made possible the most remarkable development of the great northern part of the province. Its service has made great progress in the development of mining; is much used also by fishermen, trappers, tourists and many other people of the great northland. It is also used in fire protection services, and it is estimated that Government Airways has made some 600,000 flight miles since 1946 to 1955.

Mr. Speaker, I would like to say a word about the growth of co-operatives in this province, which have been fostered to a great extent by this Government. The growth of co-operatives in Saskatchewan in recent years has really been phenomenal. In 1945 there were some 700 co-operatives, with a combined membership of 270,000, with total resources of \$69 million, and a business turnover of \$200 million per year. In 1954 there were 1,100 co-operatives with 2,300 places of business with a combined membership of nearly 600,000 persons and total assets of \$218 million. The services rendered by all types of co-operatives has amounted to over \$430 million this past year.

The C.C.F. Government has given co-ops about every assistance possible by legislation and by government purchases of commodities. I would say here that Sherwood perhaps still holds the distinction of being the largest retail co-operative (business co-operative) in the whole of Canada. In spite of the financial condition of the farmers, sales from Sherwood reached \$4½ million in 1955, of which there was an increase even in these hard times, or more than \$400,000 over the previous year. It has a membership of over 20,000, and I believe, according to a recent statement, its members will receive a dividend in the neighbourhood of \$300,000 in 1955.

I would like to mention here, Mr. Speaker, some facts about the Purchasing Agency. The Purchasing Agency of the present Government has made great savings in keeping government costs as low as possible, and has made great savings for the government. A very large portion of the buying is done through manufacturing or wholesale channels, and has resulted in great savings to the government. In 1944 to 1954, the purchasing agency has issued more than 300,000 orders, and purchased goods to the extent of \$92 million. It has received discounts because of its purchases in large quantities, as much as 22 per cent on tires, some 20 per cent on paints, 18 per cent on rubber goods, and as much as 40 per cent on drugs. The total record of earned savings since 1944 is estimated at over \$2 million.

I might say here, with regard the Purchasing Agency, that this Government through the Purchasing Agency bought a lot of good through the co-operatives. The purchases made by the Government purchasing agency from local co-operatives, including Sherwood, in 1955 were over \$90,000, while the purchases made by the agency from the Federated Co-operatives of Saskatchewan in 1955, was over \$2 million. I would like you to compare that amount with purchases that were made back in the years 1942 to 1944 from the Co-operatives, under the former Liberal Government.

Regarding farm electrification, an objective of 40,000 farms will be reached by the end of 1956, it is expected. In 1954 some 6,500 farms were electrified, and 7,500 in 1955. In 1956, a like number will make up a total of 40,000 farms. Saskatchewan Power Corporation has increased from some 24,000 users in 1945 to 140,000 at the present time, including these farms. The power rate now is at the new low level. In July, 1944, when the C.C.F. came to power, there were only 138 farms electrified, outside of small private plants. In 1939 to 1944, a five-year period, only some 30 farms received power, or an average of six per year. With the electrification of an additional 7,500 farms in 1956, it could mean that the farmers in Saskatchewan, if financially able, will be purchasing electrical appliances and equipment, and wiring their houses and buildings to the value of \$4 to \$5 million. You can see what a boon this is to the merchandisers of those goods throughout the province.

With the completion of the Trans-Canada Highway this year, Saskatchewan will be joining up with the province of Manitoba and Alberta, and will have some 406 miles of black-top, of which 72 miles, between McLean and Boharm, lie within the boundaries of Lumsden constituency. The new Trans-Canada will save 55 miles of through traffic across Saskatchewan, and will eliminate some 23 level crossings of the C.P.R. One scarcely realizes the change from open prairie trails of pioneer days to the

splendid black-top highways of today.

Just a word about discovery and development of mineral wealth, in Saskatchewan. The Speech from the Throne announces that 1,600 oil wells in 1955 produced 12 million barrels of crude oil, or an increase of 100 per cent over 1954. The development of mineral and oil wealth in Saskatchewan during recent years is, to say the least, phenomenal. Since 1949, over \$200 million has been spent on oil and natural gas exploration and development. Deposits of potash recently discovered in Saskatchewan are among the largest in the world, and it is very interesting to know that the only large deposit in the world, besides the one in Saskatchewan, is at Carlsbad, New Mexico, U.S.A. It, until recently, has produced about some 95 per cent of the potash used in the fertilizer industry. It is estimated that, by 1958, production of potash in Saskatchewan will have a total sales value of around \$10 million per year. The consumption rate in the potash industry increased by 400 per cent in the United States in the past year, and in Canada as a whole, by about 175 per cent increase; so there is a great future for the potash industry in Saskatchewan.

Mr. Speaker, I was pleased to note in the Speech from the Throne, that the operation of the Saskatchewan Automobile Insurance Act has resulted in a large surplus. It is good news for everyone, and as a result, the Provincial Treasurer has announced a substantial reduction in rates, averaging some 25 per cent, to go into effect on April 1st. These reductions to Saskatchewan motorists will mean an actual saving that will amount to \$1,300,000 in 1956. Saskatchewan owners of cars and trucks have saved many thousands of dollars in insurance premiums because of the low rates they are charged by the automobile accident insurance. It is the envy of all other provinces of Canada.

The Hospital Services Plan continues to be the most popular and the most complete, and the lowest cost in services of its type in the whole of Canada. Since 1947, the plan has paid out about \$98 million for hospital care for the people of this province. It has provided 13 million days of hospital care for our people, and has included approximately 90 per cent of the eligible population of the province. Cost of administration has been reduced from 7.9 per cent in the first year to some 4 per cent of the total expenditures in 1954. It also looks after hospital fees for blind pensioners, mothers' allowance recipients, and qualified old-age pensioners, as well as their dependants.

The purpose of the plan has been outlined by the Minister of Health (Hon. Mr. Bentley), and that is to spread the cost of operation over the whole province so that no individual or family is faced with extensive financial burdens. Since 1944, pre-diagnosis and treatment service has been made available by the Saskatchewan Government to all cancer patients in the province. Two cancer clinics, one in Regina and one in Saskatoon, are giving free diagnosis and treatment. Annual total expenditures in the Saskatchewan cancer programme has increased from \$158,000 in 1945 to over \$900,000 in 1954-55. The number of patients checked by Saskatoon and Regina clinics in 1954-55 was 17,270, while admissions to the clinics in both these cities were 3,682. The cost of hospitalization, of course, for all these patients in the cancer clinic, was paid by the Government.

We in Saskatchewan have reason to be proud of the progressive and latent programme for mental health which is being carried out by the Department of Health under the Hon. Mr. Bentley. Since 1951, while the total number of patients in Canada's mental hospitals almost doubled, and while there were increases in other western provinces, Saskatchewan actually showed a reduction in the mental cases.

I would like to congratulate the Minister of Health on the prompt and efficient manner in which his Department proceeded with the Salk polio vaccine treatment. Some 32,000 children received immunization at no personal cost to the patients. I am sure this is a great boon to the people of Saskatchewan, and takes away the great fear of that dread disease. A physical restoration programme has also been carried out to assist a large number of persons who during the years past, have been crippled with the dread disease of polio.

Mr. Speaker, I would like to close these few remarks (with a few words regarding 'Brotherhood Week'), which is being observed from February 21 to 28. A proclamation designating the annual event has been issued by His Honour, Lieutenant Governor W.J. Patterson. Sponsored in Canada, by the Canadian Council of Christians and Jews, 'Brotherhood Week' is also observed in the United States and in many European countries. To quote Premier Douglas:

"The purpose of setting aside one week of the year in which we pay special attention to brotherly love and tolerance is to remind us that these principles should be practised every day, not only for one week out of the 52.

"The broad objective for 'Brotherhood Week' is to make us aware of the responsibility we all have toward maintaining our greater heritage of freedom and equality for everyone, regardless of race or creed.

"It is up to us, if we would continue to enjoy these freedoms, to promote the spirit of love and co-operation in the home, and in the community, and at the international level. Only when we have fostered a better relations between individuals and among nations, can there be relaxation of world tension, and lasting peace."

Mr. Speaker, I shall support the motion.

Mr. R. Kohaly (Souris-Estevan): — Mr. Speaker, I should like to take this opportunity to take part in the Throne Speech debate in the Legislature this year, and first of all, to extend to you the congratulations of my constituency for the many years of service that you have rendered as Speaker of the House. I understand that your intention may be not to return in the ensuing years, and I am sure you will take with you the well wishes of the entire province, and most certainly the fore-

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most part of the province, Souris-Estevan.

I should also like to take this opportunity once again to draw to the attention of the House and the people of the province of Saskatchewan, that we have been served well by the first minister of this province, during the last ten or twelve years, in the Premier, who sits for the constituency of Weyburn. He has now sat and acted as Premier, and let well the people of this province, for a period longer than any premier we have had in this province of Saskatchewan. I am satisfied that the good people of Weyburn have been well served by their representative, and it is as it should be, since he is also a 'southerner'.

I want also to take this opportunity of congratulating any members opposite who may not intend to contest the forthcoming election, and, therefore, not return to the House. I should especially refer to my good friend, the Attorney General (Hon. Mr. Corman), who is always congenial, and always helpful, especially to those of us in the legal profession, and I can assure you that we do need help from time to time.

I want also to congratulate, as usual, the mover and seconder of the reply to the Speech from the Throne. They expressed their opinions, and it is fortunate in Saskatchewan, Mr. Speaker, that we too are now privileged to express our opinions, and possibly to disagree with them.

Before I do so, however, I should like to congratulate the people of the province of Saskatchewan for following the lead given by this administration through the Jubilee Committee in 1955, showing to us that we did have a great history in the province, although it was only 50 years of age; but we showed ourselves that we were a good, sturdy and loyal type of person, and most of all, to show that we really believed in this province; that it wasn't a poor province; that it was a province that we could be very proud of, and it was a province which is taking its part in Confederation, and more and more as the years go by. It is most unfortunate that many of the older people who pioneered this country, Mr. Speaker, will not have the opportunity to see the full growth of this province. I am quite satisfied that through luck, this province is going to enjoy tremendous revenues from oil and natural gas, and that these revenues will be used for the proper purpose, and that is for the benefit of the people of Saskatchewan first of all, and for the benefit of the Dominion of Canada, secondly.

I am sure you would like me to recount once again the benefits and blessings that this province receives from the constituency of Souris-Estevan. It is primarily, of course, a rural constituency, but rapidly, like the rest of the province, changing its complexion. We have now between 25,000 and 30,000 people residing in an area along the Manitoba and United States border. We have, for many years, produced almost all of the coal of any significance in the entire province, and have been happy in the year 1953-54 to have produced almost 3 million tons of coal. Without this coal, and before the advent of the new fuels, many a home in the province of Saskatchewan and Manitoba and elsewhere would have been very cold.

We have, however, changed our outlook as well, and we are now producing, and will continue to produce, a vast portion of the oil that is to be found in the province of Saskatchewan. This oil is not located in any isolated portion of Souris-Estevan. It is found from the most easterly to the most westerly portion of that constituency. We have now fields, or areas which should certainly be fields in the near future, at Midale, Lampman, Steelman, Frobisher, Glen Ewen, Carnduff, Alida and Nottingham. These are names of places and fields which mean a great deal to those men who have placed a large sum of money in the expansion of the oil industry in the province of Saskatchewan. I am satisfied these names will become highways in the homes and business places in the province before very long.

I would also like to point out to you that since the advent of this administration, the Power Corporation has its largest plant located at Estevan, and, with the flick of a switch, we can turn the lights out in a large portion of the province as far north as the city of Yorkton. We hope that the Power Corporation will continue to show good sense in expanding the plant in Estevan, and in employing very valuable labour which we have there.

I want to point out, in this year of grain difficulties, that we produced some \$24 millions of produce, including some \$6 million worth of stock. We have there a quarter-million dollar industry, which is unique in the province of Saskatchewan, in the Prairie Nursery which produces, and is able to produce, trees to beautify the entire province, if they are so inclined to look after the premises as they should. If the Government doesn't hurry up with this pulp industry where they do have the trees, I am satisfied we are going to have to bring the pulp industry down where we manufacture the trees.

We are fortunate in having the Brick Plant in Estevan, and it has indeed assisted materially in the construction industry in the province of Saskatchewan. We hope that the brick plant will continue to expand. It appears to be doing well now, and with the active support of business and of labour, I am sure that the result will be pleasing to all of us.

I would like to point out that a new industry is developing in and around Estevan in the concentration of supply houses from the United States for the oil and gas industry. Your major oil producing and exploratory companies are locating there, and I would say that, in due course, Regina will have to watch its laurels, or all the exploration people are going to have their head offices where they should have them, and that is, right in the midst of the oil fields. This has resulted in a great deal of labour and employment for the people in Estevan and surrounding district, and the business tendency and index indicates this to be one of the things which we hope will develop further and further, and in due course will expand Estevan beyond what it is today. It is now the largest town in the province of Saskatchewan – undoubtedly the most busy and the one with the greatest future, and the one which certainly commends itself to all types of business to locate there.

The town Board of Trade is a most active one. It is most unfortunate that when my friend, the Leader of the Opposition was informing this

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Assembly of the nature of industry across the province, he overlooked the pamphlet on Estevan. Estevan, I am sure, should have two or three such pamphlets of its own. I could certainly fill each and every page not only with pictures but with statistics and information about our expanding industry.

Now, everything isn't rosy and bright in Souris-Estevan. We have a series of highways that criss-cross our constituency. We have the beginning of the only worthwhile north and south highway now located in the province of Saskatchewan. It begins in that constituency, and ends in the timber land of northern Saskatchewan. No. 39 Highway is an old bug-bear to this Government. They built it in a hurry for some particular purpose, and it disappeared in a hurry. They have been patching and patching that highway until we had what the president of the Canadian Good Roads Association described, referring to other highways "as merely patches on patches". That No. 39 Highway from Estevan to Weyburn, from Portal to Estevan, has not been a mark of distinction in the proper sense, for this administration. It is most unfortunate that people who are coming from the United States into Canada, possibly for the first time, enter at Portal and are immediately confronted with one of the worst driving hazards that they could possibly face on any highway condition anywhere.

People have not been hesitant to speak of these driving conditions. They have not been hesitant to compare them unfavourably with roads which they have immediately left in the States of North Dakota, South Dakota, and Montana. The weather conditions are not very much different on one side of the international boundary and the Canadian side. The road and soil conditions are not that greatly different that there should be the tremendous distinction between the U.S. No. 5 that joins in seven miles south of the international border on to No. 39 Highway.

We have had (and in this way some small blessing) our garages filled from time to time with cars of foreign registration] whose undercarriage has been ripped off, driving over our highways. No. 39 Highway, as it existed between Estevan and Weyburn, was a complete disgrace and occasionally turned back motorists who had intended to travel further into the province of Saskatchewan. Those who live in this province realize that the conditions are difficult, road and weather-wise; that we have a very large mileage to maintain on a small population. Unfortunately, those who come from outside do not take the time or bother with those facts, but merely consider the nature of the road which they have been on, and with which they are confronted when they enter our province.

It is interesting to note that the cost of maintenance of that road, in the last year for which we have accounts, was upwards to \$3,000 a mile merely for the maintenance of that road, and it was not in good condition during the entire year. There is always a danger and always a hazard, and that, at the expense of the \$3,000 per mile, compared to \$400 to \$500 a mile for some of our main other arteries of similar nature, and carrying similar traffic. Indeed, the average, as I understand it, is only \$1,275 a mile, compared to the \$3,000 spent on No. 39 Highway. No. 47 Highway extends from the U.S. border again, and is another main artery of entry into Saskatchewan for our tourists. Tourists came in there on to a highway which was usually choked with dust, and sharp S-curves,

and very narrow in some places; much lower than the surrounding farm lands.

The Board of Trade and an international committee approached the Minister of Highways of this province and drew this matter to his attention. He received a long dissertation of the difficulties of highway construction in the province of Saskatchewan, but nothing else. A portion of No. 47 Highway was widened through the rocks immediately south of Estevan at a very high cost. It would have taken very little to have either oiled or black-topped this portion of highway, to cut down the extreme danger that was involved there through dust cause by people travelling to and from Estevan, and to the summer resorts which extend along the Souris River, approximately one and a half miles in length. The Minister has not, to this date, made any attempt to black-top this dangerous stretch of roadway. There have not been there any deaths in the last couple of years, but due to the nature of the construction, there have been deaths there in the past, and it is to be expected, unfortunately, since the same danger continues to exist, that there are likely to be deaths in the future. If there are deaths there, and since the Minister has been advised of this situation, since the Minister puts traffic counters on there and knows how many people travel over it, if he refuses to do anything about it, then he must bear some measure of responsibility, if and when they occur.

No. 18 Highway is one of the key highways running east and west from the Manitoba border, and tying into No. 39 and so on north to Regina, Saskatoon, Prince Albert and Lac La Ronge. No. 18 Highway is, further, carrying a tremendously unusual load of traffic, and along No. 18 Highway you have the oil wells I mentioned a minute ago. The heavy trucks travel along there, carrying pipes, seismograph equipment, carrying supplies to and from the oil fields. They extend for the entire distance of Carnduff-Carievale, right straight through to Bienfait-Estevan, and on up to Midale. That is a heavy stretch of road at any time, and during the last few years it has become almost impossible. An attempt was made at re-building, a few years ago, but due to the excessive traffic it is impossible for it to stand up. I am satisfied that the Minister is well aware of this condition, and if he is not, then his engineers are, because the matter has been brought to their and his attention by a petition, and we have as yet no hope for a substantial change being made in that road to handle that traffic.

I myself brought to his attention the fact that there was a mile or so from No. 39 Highway into Bienfait used constantly, morning, noon and night, and late night by a great umber of people travelling to and from the coalfields just outside of Bienfait. That stretch of road is almost impossible to drive over in the ordinary season of the year. It is not due to frost, it is not due to weather; it is just due to the simple fact that the road is no good at all. The Minister is certainly aware of the fact, and since he doesn't fix it, he must intend that that is all that those people should get. It wouldn't take very much (and his traffic counters indicate that it should be done as well) to black-top that mile of road when it is known to be so heavily travelled, known to be so dangerous. Yet this administration ignores the people who constantly travel over that road in such large numbers, and to their great danger.

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One part of No. 18 Highway is so bad that it cannot even be graded, Mr. Speaker. It can't be graded for the simple reason that you scrape off the few pebbles that have happened to stay there, and you get down into the sand and the trucks and cars drop down to their axles. That situation has continued for a number of years, and it is known to the engineer at Weyburn who is in charge of this project, and even he admits there is nothing you can do – not even grade it. Yet no effort is made whatsoever to provide these oil companies and industrial people, and citizens residing along the road, with decent transportation. It is not only dangerous, but it is absolutely inconvenient and uncomfortable, and in due course that highway is going to drop out of sight altogether.

The revenues which we receive from oil and natural gas certainly is worthwhile, but if we are going to encourage industry such as that in our province, we are going to have to make it convenient and possible for them to get to and from their work. We have on that road signs indicating narrow roads, and further on signs reading 'Narrow Bridge' and further on there is an 'S' curve, and this last year we had a death that was caused strictly by the highway and the highway construction on No. 18 Highway between Carnduff and Carievale. These things, I suggest, Mr. Speaker, should be of interest to this administration, and certainly are of interest to the people in the constituency of Souris-Estevan.

I also want to point out to you that, last year, we had a major programme by this administration, and properly so, to relieve the excessive flood conditions; to assist the municipalities with special works and wages programme, but that not a single municipality in the constituency of Souris-Estevan received a regular grant. Not one single municipality. Two municipalities did write a letter to the proper authorities, and they did receive the minimum special grants. No one else, despite the heavy flooding conditions which we had in the province of Saskatchewan, and certainly must have existed in the constituency of Souris-Estevan, because the Minister of Highways gave that as one of his reasons for the excessive expenditures for maintenance of No. 39 Highway, which runs through the constituency. We received no such grant although the conditions were of such a nature as to warrant them, and we are not complaining; but we are suggesting that the cost of the highway repair in that area is not proper either, because the conditions were not of such a nature as to cost the amount of \$3,000 a mile as against \$400 and \$500, and \$1275 as the average in the province.

I want to speak also, Mr. Speaker, on the weigh scales which have been established at Estevan and other points in the province. It is quite true that some check must be made on people using our highways. It is certainly true that some people abuse them. It is equally true that our regulations tend to permit abuse, since they are not realistic. Certain weight limits have been allowed, depending on the axles of the vehicle, and we generally agree that they should be able to carry about 500 pounds per square inch. We have allowed a maximum load on any one axle of 18,000 pounds. Small trucks with one axle with usually narrow tires, do far more damage than these large trucks with many tires, and having a large space of tire on the roadway surface.

I recall when the Provincial Treasurer (Hon. Mr. Fines) introduced legislation concerning the stopping at scales in the province, that we indicated to him that this was going to create great difficulty to farmers at certain seasons of the year. If my memory serves me right, he allayed these fears by saying that if we do experience these difficulties, we will make it a little easier for the farmers. My information now (of an unofficial nature), is that such instructions had been issued, at least in the Estevan area. Farmers are no longer being required to stop and be weighed and examined too, because they put up such a complaint over the unfairness and inequity of dropping in there every time they went by the scale house, which is on the east side of Estevan; but the ones on the west, the north and the south went gaily on their way with their narrow tires cutting through the road surface.

It is necessary that we take a good, long look at these scales. It is necessary, especially on the ports of entry into our province that we locate these scales – or at least provide some way of buying permits nearer to the port of entry. At Estevan you travel some 30 miles from the United States to reach the scale. There is no way of buying a permit. You merely show up at the scale – you're overweight, and you have this unseemly situation of a series of large trucking corporations being charged with offences in our province. If we are going to do that, let us place the scales near the port of entry – not 30 miles away from the United States; not about 100 miles away from Manitoba, but place them at the ports of entry. We already have unrealistic regulations in comparison with Manitoba, Alberta and North Dakota as to weights. These people are being further penalized in being enticed into the province, then put on the scales, and then fined severely to the extent of one (which I remember very well) \$2100 fine and penalty.

I spoke at other times concerning the system of coloured licences in the province. The present administration have shown some inclination to buy this problem at this Session. In due course I shall have something to say about that; but I believe they are moving in the right direction, though be it slowly. The people of this province have long since realized that the system of coloured licences is here to stay, and our only hope is to remove some of the abuses from it and make it into a worthwhile driving programme. I am satisfied that our people realize when they receive a coloured licence that it is a demotion to them, and that they must take greater care in the future. However, it has turned out to be something more unfair than that. The vast majority of charges which one faces under The Vehicles Act are handled by an administrative board headed by one man, who seems to have all the control over the entire board. He is in a position to take away your driving privilege at will. You have very little (if any) right to appear and to put up your side of the argument. That is a right which has long lasted in our country to the benefit of all of us; but in this particular board, you have a right to be heard, but it is very difficult to obtain, and it is doubtful in its application.

We have a process of courts in this province which have administered justice of a more severe and trying nature than this, ably and well for many years, and there is no reason whatsoever why they ought not to be entrusted with our special driving privileges. If it is only to collect an additional surcharge to keep the Insurance Office afloat, well then, let us say so, and let us surcharge these people in the proper amounts to keep the Insurance Office running at an even keel during the year, and year after year.

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I want to point out, while I'm dealing with highways, Mr. Speaker, that the Highway Department in Saskatchewan is probably our best industry. It appears to have worked well from an income standpoint for many years. In the last year for which we have figures, 1953-54, the gas tax brought in some \$14 million, and automobile registrations brought in some \$4.7 million. There are a number of hidden sources of income in the Hospitalization and Education Tax Act. There is such a tax on cars, on trucks, tires, oils and repairs. The combined income is in excess of the expenditure of the Department of Highways, not including debt charges and subsidy paid by the Dominion of Canada on the Trans-Canada Highway. It made more money; more money was taken in from the two direct sources than they spent on the highways in the province of Saskatchewan, excluding the debt charges and the subsidy of the Dominion.

We have heard a great deal of industries which are in the province; industries which would like to be in the province, but are being ostensibly scared away; industries which we would like to see here; industries which are coming. Mr. Speaker, we have a great industry in the province which we are not taking care of, and, in my opinion, we are doing our best to eradicate it from the scene, and this is to the detriment to all of us. I refer to the trucking industry. The trucking people in this province have paid out in the last year some \$79 million by way of pay-rolls. That is a fairly large figure, and must take care of a large number of families in the province of Saskatchewan. That figure does not include the managerial end of it, nor all of these people who are dependent otherwise on the commercial truck traffic of our province.

We, however, in Saskatchewan, unlike Manitoba, Alberta and the United States, are putting millstones around the neck of this industry. We have had them there for some years, and we are insisting on keeping them there. All three of our prairie provinces work on the presumption that 500 pounds per square inch of tire space is adequate and proper for the highways which the individual provinces have. We in Saskatchewan, with four-axle semi-trailers, however, insist upon the best total pay load which they can carry is 43,000 pounds; Manitoba, 54,000 and Alberta, 56,000. We are rapidly coming to the point where commercial truck traffic is taking over the railroads. The railroads are obviously not expanding their services in the province of Saskatchewan, but they are taking some of their lines out of circulation. Truck traffic is going to have to take it up. It is a good industry. It has paid this province well in the past, and, if given half a chance, will pay us even better in the future. We, however, insist that the 400 pounds per square inch in Alberta on four-axle trucks is too much for our roads; that we can carry only 265 pounds per square inch. Our roads are therefore, only as good as 65 per cent of the roads of the province of Alberta.

We border on the United States, Montana, and North Dakota, and it is interesting to note that some states of the United States go as high as 79,000 pounds for similar vehicles. Even the state of Montana, on which we border and whose roads are joining our own, has a maximum allowance of 76,800, and we insist on holding this unrealistic figure of 43,000, despite the fact that this industry is paying in tremendous sums to the revenues of the province of Saskatchewan. At the same time we allow buses, which have a maximum of 32000 pounds, and only six wheels, two of which are used only to guide them, on to our

highways at high speeds and at times of the year when we recognize it to be unwise to carry heavy traffic on these highways. The buses are there because they provide a service to the people. The commercial trucking industry is providing a service as well, and equally good returns are realized to the province of Saskatchewan, and yet for some reason or other, it is singled out against the buses; the buses are travelling, and the commercial trucks are stopped.

Those men and women who depend on that \$79 million a year for their daily income are not satisfied with a period of six weeks to two months each year, at a crucial time of the year for them to be unemployed. We must make some effort either to construct our roads in such a manner that they will stand traffic equal to the buses, or we are going to have to build roads that will hold four-axle trailers and five-axle trailers to carry reasonable loads.

I want to point out as well that your own Department of Highways, the Power Corporation and the Department of Natural Resources have vehicles which they use on the highways, and are unloaded of a weight of 40,000 pounds, before they are loaded with the heavy equipment for which they were built, and it is quite permissible to carry them over the roadways, obviously in places doing damage, but, for the most part, the roads will carry them. The trucking industry is entitled to a better deal from the province of Saskatchewan. We don't need to look outside the province for industry; we have one here if we would give it a chance. When we start to spend \$3,000 a mile to maintain our roads, we are lucky to have an industry within our province which spends \$79 million within the province. If we will only look after the industry which we have, and give them a hand, we cannot have the worries we have been expressing on both sides of the House as to other industries coming into the province of Saskatchewan.

I told you this industry produced some \$79 million in income in this province for our people, and yet they represent only 9 per cent of the registrations of the vehicle traffic in this province. They paid, however, of that 9 per cent registration, 30 per cent of the total money paid in by way of registration of vehicles. They paid in \$1,353,000 of the total registration money. Commercial trucks, such as I have been speaking of, have used about 50 per cent of all of the gas which was used in the province of Saskatchewan, to propel these vehicles. They use some four to five miles to the gallon; they use tremendous quantities of gasoline, and are, therefore, responsible for approximately 50 per cent of the gasoline tax taken in by this province of some \$7 million.

It is an industry which we ought not to discourage, but an industry which we should see that they have more and more opportunity to develop, and to assist our province through revenue and through income to citizens.

In addition, by the purchase of the new vehicles, repairs, oil, and tires, they have added materially to the education and hospitalization tax collections of this province. We have no figures, but it is conservatively estimated that this amounts to \$1 million in the last year of 1953-54. Therefore, Mr. Speaker, we have a group of people carrying on an industry registering

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9 per cent of the total traffic on our highways, and producing 50 per cent or more of the amount which we have spent on our highways in the year 1953-54, not including the Trans-Canada and the debt charges.

I believe that, if we give these people an opportunity to properly carry the traffic into the small centres of our community, the result is in material gains, in reduced cost of transportation, and in convenience to our people in getting the property to them at the most opportune times. These people are providing a service; they are paying their way; they are providing employment; and they are a worthwhile industry; but, best of all, they are right here, and all they need is a little bit of encouragement, rather than the impediments that they have had in the past.

I should like for a moment to consider the question of oil and gas, especially as it affects our constituency. In 1947, a large number of outsiders criss-crossed the south portion of Saskatchewan, picking up leases. Since that date we have been afflicted by a series of equally itinerant people digging up interest under the leases, and now they have come to take the interest away and to trade them for some other shares. The Government of this province, unlike the government of Manitoba, has yet to speak up and advise these people who are farmers, primarily, of the nature of their holdings, of the possible value of their holdings, and the attitude they should take to these various people acquiring their holdings.

We have now an unusual situation developing which may lose many of our people millions of dollars. Almost the entire freehold minerals have been acquired in one way or another through lease or purchase, by people other than the farmer. Recently a decision of the Courts indicated that these leases may not be leases at all, but may be sales. A vast number of people, far too many to carry each one to the Court, is now wondering whether or not they have sold their property, and whether or not it will be returned to them in the 10 years stipulated in the document. If that is the case, when we are faced with the legislation which this administration put on the Statute Book earlier than the oil and natural gas find, and which now will give some serious difficulty to the farmer who holds a freehold lease, I, of course, refer to The Land Contract Action Act, which if these leases are not leases, but sales, will immediately apply to the situation covering thousands of these people holding land.

Hon. Mr. Corman (Attorney General): — This Act was passed in 1940, not in 1943.

Mr. Kohaly: — All right, I stand corrected, Mr. Speaker. The Attorney General says this Act was not passed by the recent administration, but it has been maintained by them for the past 12 years. It certainly should be seriously considered to protect this minority of people in our province, and that it should be done immediately. I have yet to see any legislation opposed to it, which will assist us in getting around this difficulty that is sufficiently widespread to be out of the field of commercial law.

I want also to refer for a moment to the surface leasing problem which we have in southeastern Saskatchewan. The Government has been concerned with their own problem of Crown minerals, and at the same time they have thrown

some of it to the surface holder of these Crown minerals, and provided certain regulations which have unfortunately, tended to become the maximum. You are all aware that there is 80-acre spacing in the majority of the fields in southeastern Saskatchewan, but that in due course it will become 40-acre spacings. If you will, as a farmer, cast your mind back to your own farming operations (and in the province of Saskatchewan it is becoming more and more mechanized), and realize the difficulty you are going to be faced with when you have four wells of Crown minerals on your land sitting in the centre of the l.s.d., and each one connected to a tank battery like the spokes of a wheel, and then try to farm those little cut up prices, you are either going to go out of business or you are going to go into market gardening. You are certainly not going to be able to use the big combine and big machinery which is required today.

The regulations we have today are not sufficient to meet the needs of the people in the southeast corner, and indeed in other parts of the province where oil and natural gas produces wells and tank batteries. The roadways run out and cross-cross the farms to such an extent that it is no longer possible to farm it adequately and economically. It is all well and fine to say we are going to give two and a half times the assessed value, plus \$35 for so many acres and so forth. It looks fine, but it isn't fine when you add it all up, and it becomes even as high as the price of the farm itself, if the man is put off his farm and unable to farm it.

It is no longer economical to face that situation, and this administration must face it, and so something about it. The situation is even more serious when it comes to the freehold owner who ostensibly has 12½ per cent of the royalty, but unfortunately he has lost, for the most part, this royalty for a pittance. It is all well and fine for us to say that it was his own fault; that he should have looked after it. We never warned them. Those people should have known; those people who were placed in positions of authority, and who had this information available did not warn him, and he let it go. Gone completely, in most instances.

Hon. Mr. Brockelbank (Minister of Natural Resources): — What information do you refer to that we did not use?

Mr. Kohaly: — I refer to the information that this Government could have given to the people of the province who are in these areas, that there were people going around purchasing . . .

Hon. Mr. Brockelbank: — NO, Mr. Speaker, I believe the hon. member misunderstand me. I don't want to interrupt him, but he said 'information that persons in authority had available'. Now what information is he referring to that we had available?

Mr. Kohaly: — I am referring to the fact that this Government was aware, through applications by people for licences and permits to purchase these interests in mines and minerals. They went by the droves to get their brokers' licences; they knew what they were doing. They weren't in this country getting a licence that they could hang on their wall. They were in this country to get

the right to go down and buy these mines and minerals from these people. They knew that; and if they didn't know that, it was easy to find out, and it was as easy for this administration as it was for Premier Campbell of Manitoba, to step up and suggest to the people that they had a very valuable piece of property, although they didn't understand it, and that they should protect it. But they didn't; and now the end result is that they have no interest in the 12½ per cent. Then when the oil company comes along they say by our lease we have the right to come in and not to pay compensation. It is only those exploration companies who have outlets for their gasoline in this province who are paying the compensation; only those people, because they feared the adverse affect of bad publicity in their dealings with people who are the producers.

This administration has some responsibility in not stopping at the Crown lands which they have, but in going a little further, putting the pressure which is necessary on these people to pay a reasonable portion for their right of entry, for the right of destroying the land's use to the farmer.

Hon. Mr. Brockelbank: — Mr. Speaker, doesn't the hon. member know they still have that right to collect damages?

Mr. Kohaly: — Certainly they have the right to collect for crop damage and improvements on the land. Certainly they have the right; but the right doesn't go far enough to protect them from these people who come in and put these cross-roads all across their land for tank batteries and well sites. They haven't that right, and it is obvious that they haven't that right, or the problem wouldn't exist for the oil companies would pay them, and they haven't paid them. Only those people who had outlets, commercial outlets, are paying that. This administration can look after their own, and I am suggesting that they out to look a little further, and look after some of these other people who are unable to look after it themselves.

We have much to-do about the great bonus bid which we have received for oil and natural gas from this province of Saskatchewan. I wonder how much we have received, and for that purpose a question has been placed on the Order Paper: "How much have we received in royalties from these net royalty agreements which we are making with companies who are not very large?" I wonder if we are not taking unnecessary chances with this oil and natural gas. We are getting a very large sum. One case worked out to \$3200 an acre bonus, and yet we are throwing that away in order to take some net royalty agreement which throws us into partnership with someone who is going to possibly drill a dry hole. We are throwing ourselves into partnership with all of the small new companies; none of the major companies are going into partnership with us because they realize that that is not the most opportune manner to mine and to bring to the surface this wealth that we have acquired.

Some two years ago I suggested to the House that the mines and minerals revenue we were receiving was not really our own. We were certainly entitled to some of the use and benefits, but not all of them. By the looks of the accounts for this year, while we have received tremendous revenue from oil and natural gas, we are ploughing it all back in day-to-day meals. We appear to be conserving very little of it. I suggested two years ago that a

development fund in this province would certainly be advisable. This money we are receiving in large quantities today – and at that time I indicated that we would probably have a billion dollars or so in 40 years, (and I am satisfied now that I was wrong, that I over-estimated the term); we are doubling our income each year. We are going to have, in my opinion, at least \$50 to \$60 million by the next four years out of our oil and natural gas, and we appear to be squandering it every day of the year.

Mr. Walker (Hanley): — Give an example.

Mr. Kohaly: — That is not our money entirely, but it is coming up from the ground and is not renewable. It belongs to future generations and we certainly are not doing the right thing by taking it all to ourselves in this day and age.

Mr. Walker: — Give an example, first.

Mr. Kohaly: — I suggested that we establish a development fund, but let it not be legally encrusted so that we could not get at it for our purposes today, but that we use it for self-liquidating projects; that we take some 60 per cent or 80 per cent of it and use it for direct self-liquidating projects. The province itself, municipalities, farmers, business men and development companies would be happy to see a large fund available for the development of our province, and the eventual return of the capital into the fund, and the interest into the current revenues. There is nothing illogical about it; it would work well and it has worked in other provinces.

Mr. Walker: — It has worked for years.

Mr. Kohaly: — We have heard a great deal about this in connection with the South Saskatchewan River dam. It could be made a self-liquidating project. I'm sure that the northeast land development scheme would use it, and in due course would return all of the capital to the province of Saskatchewan, together with interest. We could make loans to municipal governments, and certainly the municipal governments, Mr. Speaker, need loans right now. I am satisfied that in the city of Regina, they would be happy to see large sums available from which they could draw for a self-liquidating project, such as gas distribution in the city. They are obviously anxious to have their own gas distributing system. As I understand it, the Provincial Government is not against having a gas distributing system in the hands of the city of Regina, but they are unable to acquire sufficient funds with which to put in this distribution system. I am satisfied the city of Regina would be happy to pay to the development fund interest at a rate which would be comparable to the interest they pay for public funds, if they were able to do so.

This then would take care of some 60 to 80 per cent of the development fund, and I am sure that the towns and cities across the countryside would be happy to have a fund with which they could put in sewer and water connections, and in due course they would pay for themselves, the capital would return and go around again, and the interest would go into our current revenue. These people can borrow only so much. The city of Regina, with its rapidly expanding population, has probably pressed its borrowing powers to what would

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be very near the limit; but they have to go on the market and acquire another \$2½ million for this distributing system, which is obviously a good business deal, and they are going to have difficulty in obtaining the money.

We of the province of Saskatchewan have a right and a duty to have the funds available to these people, from which they can draw, as also could the smallest community in this province, if they found it necessary to put in sewer and water. But we squander it day after day, month after month, in uses for ourselves in 1956. We should certainly have some ideas; we have just recently finished Jubilee celebrations. We should protect ourselves a little in the future and decide that we will save some of these assets for people who are going to follow us in this province.

Hon. Mr. Brockelbank: — Mr. Speaker, I would like to ask the hon. member if he could give us an example of any of this type of money that he is talking about that might go into a development fund, that is being squandered?

Mr. Kohaly: — Well, we took in in bonus bids in the last year a substantial sum. According to the report of the Minister of Natural Resources, we took in substantial royalties. Those are sums which, just from recollection, are in the neighbourhood of \$10 million. That is a sum of money to start with. Last year, if my memory serves me right, it was in the neighbourhood of \$4 million.

Mr. R. Walker (Hanley): — Answer the question.

Mr. Kohaly: — If you take and compare the estimate which the Minister of Resources issued, the Saskatchewan petroleum picture and compare it, in production and royalty returns, with that of Alberta, you will see that we are following Alberta; we're getting the same types of returns . . .

Mr. Walker: — Answer the question.

Hon. Mr. Brockelbank: — You're dodging it. That's all right.

Mr. Speaker: — The hon. member evidently didn't hear the Minister's question. The Minister asked for an example of money that is being squandered. That is the question. Where is the money that has been received in royalties that has been squandered?

Hon. Mr. Brockelbank: — No, Mr. Speaker, it wasn't the money received in royalties. The hon. member is talking about a development fund of some kind, and he suggested that certain moneys (I'm not sure what moneys he means, because he hasn't been very clear), that should have been put into such a fund, have been squandered. Well, I would like to have an example of where such moneys have been squandered?

Mr. Kohaly: — When I used the term 'squandered', Mr. Speaker, I used it in conjunction with other terms, and I say that it has been squandered in day-to-day expenditures rather than to be used over a period of years in the future. That is the way the term was used, and I will admit that when taken out of the context which the hon. Minister suggests it is incorrect; but when used in the context in which I used it, that it is being used today, squandered,

as against the rights and privileges of the people of the future, then I think that my argument is correct.

Hon. Mr. Fines: — Mr. Speaker, might I ask the hon. gentleman if he does not know that not a single five-cent piece from bonus bids has been used on current account? Every dollar has been used for these (what he is pleased to call) ‘self-liquidating’ project, construction of highways and things which will benefit the people in years to come – in fact, generations yet unborn. Every dollar of it!

Mr. Kohaly: — Well, I’m very pleased to hear that. I am sure that people who sit in responsible positions in municipalities will be pleased that there is some fund to which they can go and receive assistance.

So that is what I was talking about. I referred specifically, if my hon. friends were listening, to the city of Regina which I consider a municipal government. I referred specifically to people in the smaller centres who wanted sewer and water, and since these funds are being put into this source, I’m satisfied that probably the first municipal organization to knock on the Minister’s door will be a delegation from the municipality of Regina, wanting assistance from this fund which he has so carefully kept – not a five-cent piece spent in the manner in which I unfairly suggested!

I want also to point out that we are going to have vast sums of money. The amounts now are great, but they are not overwhelming. I am satisfied that we are running about seven years behind Alberta, and Alberta is receiving large sums of money in this year. I notice from the ‘Leader-Post’, this morning’s issue, that Alberta’s provincial treasurer talks about such a fund as I have been referring to here. He says he is going to put another \$25 million in the fund for capital loans to municipalities, raising it to the sum of \$125 million – the amount in the fund set up some three years ago. That is for the direct municipal assistance by way of loans which are returnable. I believe that the province of Alberta has handled their resources well, and that we can take heed and note from their experience, and not use all of our revenue today.

We might also heed the statement of the Royal Commission on Rural Life, where they point out that the economic units on the farm today are increasing. Sooner or later we are going to have to look after our agricultural industry, which is another industry that is here in the province and we do not have to look elsewhere for it. They tell us that some 50 per cent of our youths are leaving the province. If we had funds available for these people to purchase property, to obtain machinery, to go into business on their own, I am satisfied they could repay the money with interest, and that the economy of the province of Saskatchewan would benefit.

The S.F.U. apparently believe that it is feasible to keep these young men and women on the farms; the only thing that is holding them up is the large capital cost. If agriculture is not encouraged in this province, then it behoves the administration of the province to carefully ensure that these young people have a source from which they can acquire funds to purchase land, and to purchase machinery which is sufficient to farm with. The province of Ontario tried

it out some two years ago with \$4 million to start with. They gave these people between the ages of 25 and 35 or so the right to obtain up to \$15,000 for the purchase of machinery. We still have senior citizens in this province who are willing to take a chance on the young men and women who are farmers in Saskatchewan, and to give them the land at a low down payment and let them pay it off at a reasonable interest, year by year. This fund is not available in Saskatchewan to young farmers. It is available in Ontario; it is being used there; it is revolving, and they have yet to lose a single cent. This province would do well to take such a scheme and transport it to Saskatchewan.

We have another industry which I consider very valuable, Mr. Speaker; an industry which is here in Saskatchewan, and not necessary to have it imported. We in Saskatchewan have the same natural assets as the province of Ontario, Manitoba or Alberta as inducement to our tourist trade. We have the same scenery, the same hunting, fishing; we have the same summer resorts as these other provinces have; and yet for some reason or other we cannot seem to acquire the tourist trade in this province. We have the same access to markets in mid-west United States and in the other provinces. The tourists are having difficulty in getting access to Saskatchewan. As soon as we get one or two north and south roads to go along with our east and west roads, we are going to be bale to get these people into this province and soon realize that it is a worthwhile industry which would like to come here and settle in Saskatchewan.

I think it is interesting to note that other provinces have made good use of this tourist industry. The province of Ontario informs us that they acquire some \$200 million a year from the tourist industry. The province of Manitoba acquires some \$25 million a year; Alberta some \$30 million a year, and the best figures available for the province of Saskatchewan show about \$1 million a year. Now this is obviously out of line, unless we can say that Manitoba, Alberta and Ontario have better scenery, better fishing, better hunting; but they haven't. There is an industry that is pounding on our doorstep. We don't need to call it in. It is knocking to get in, and we are doing very little about it. I asked a question in this House a few days ago and was answered by the Provincial Secretary (Hon. J.W. Burton). I asked him the number of tourists that entered Saskatchewan for the calendar year 1955. His answer was, "Not available, except foreign vehicles entering Saskatchewan directly from the United States, which may be obtained from the Dominion Bureau of Statistics, Ottawa. No records kept of vehicles entering Saskatchewan from east and west."

You can enter into Manitoba from east and west; they make an effort at finding out. They report, and know how many are coming in. I understand we have a full-time man now in charge of this tourist problem in Saskatchewan, and yet we ask what was the number of vehicles, and the answer, "See No. 1 above – not available."

How many visitors were received at Waskesiu National Park? Answer: "Prince Albert National Park is the only national park in Saskatchewan. Information concerning same may be obtained from National Parks Branch, Department of Northern Affairs and Natural Resources, Ottawa."

The province of Manitoba knows how many come into their national parks. They make an effort of looking after this \$25 million industry in that province. How many visitors were received at Lac La Ronge? Answer: "No government facilities for registration of visitors at Lac La Ronge." The province of Alberta, Mr. Speaker, with their \$30 million income realize the importance of knowing how many people are coming in, and to get more people there and to enjoy that revenue.

What was the total tourist spending? Answer: "Provincial Tourist Branch has no facilities for recording this information!" The province of Ontario, Mr. Speaker, knew - \$200 million worth. Here is an industry. We don't need to import it; it's right here. We can use it. Manitoba, Alberta, Ontario and the other provinces are using it. They are getting tremendous revenues from it, and we are ignoring it. We have no information. Well, the first step is to get some information. The first step is to get that man, whoever he is, employed by this government to get out and get the information. The next step is to see that these tourist booths that we have so unfortunately linked with our scale houses and the traffic officers are separated a little. Let us get some information. Let us put them on full-time. I am not suggesting we serve coffee and doughnuts, or anything like that; but let's give them some information about the new construction work in this province on the highways they intend to use. Let's tell them where the difficult spots are on the roads along their way. Let's tell them where they could go better. Let's tell them what the facilities are two days hence at some place in our province. Let's make them welcome and see that they are registered. There's a sign outside a couple of miles away. It says, "Tourist Information - 2 miles east." That's all. Why don't we do like the United States does?

If you, Mr. Speaker, have travelled through the various states you have noticed they have the same border problems. It is difficult to tell how many people are coming in, but you will see on their main entry point "Tourists Register Here", or "Foreign Vehicles Register Here". Then we would know how many we've got. We would know who our customers are; we would know what they are spending, and then maybe we would have some of this \$25, or \$30 or \$200 million dollars. Here is an industry. We don't need to bring it from Great Britain, it's right here. All we need to do is to make it welcome and to make use of it.

From time to time - and probably this speech of mine, Mr. Speaker, is the best example I have suggested that the Opposition need a secretariat.

Hon. Mr. Brockelbank: — They need a lot more than that!

Mr. Kohaly: — The Government are running a very large business, and probably realize that they have to have a large secretariat, and they have. I am not going into the long hassle about how many advisers, how many ministers, how many high-priced and able branch heads they have; but they do have them, and properly so. The Opposition, regardless of the fact that at present it is small in number, require it as well. Even though the Opposition were almost equal to the administration, they still carry on a proper and necessary function in any

democracy such as the province of Saskatchewan. We do need a secretariat. We do need men who are experienced in law to handle the legislation which comes down in large quantities before us. We need men who are trained in the principles of public finance, so that we can keep track of the Provincial Treasurer's figures at least. We need men who are business administrators, so that we can at least keep track of the Crown Corporations which we now have in this province, and which are almost impossible for a layman to understand.

I am satisfied that we need men who are trained in government procedure to assist in presenting our questions, motions and resolutions on the floor of this House, to expedite this business. There is nothing wrong with the suggestion – nothing wrong whatsoever; and if the members opposite should be the choice of the people of this province fall extremely low, then there is all the more need. It is no credit to the administration to see that the Opposition cannot carry out their duties in the proper manner. It is a desire, I would suggest, on the part of the people of the province of Saskatchewan, that the Opposition be given the tools and the assistance that is necessary to highlight the good work which the administration has done.

Mr. Speaker: — May I take this opportunity of replying to the members that the Legislative office is always at their disposal if they want any help.

Mr. Kohaly: — I appreciate that, Mr. Speaker, and since you have brought it to my attention, I should like to say that I have always received, personally as a member and as an individual, the utmost co-operation of the administration and of the various ministers, but I speak of a procedure or a technique above individual support and assistance, and that is a secretariat as a principle for the Opposition, as a secretariat as a principle for the administration.

There is certainly a very definite need, and I am satisfied that, in due course, the administration, whichever it may be, will have to provide it.

I think it well that some light should be thrown on the labour situation in Saskatchewan. We are going to be asked shortly to vote individually on the reply to the Speech from the Throne. I notice that, last year, the prime target was our unemployment situation in Saskatchewan. This year it seemed to have disappeared, but, Mr. Speaker, it has disappeared only from the Speech from the Throne. The problem still remains. If we take the last available figure of 150,000 who are self-employed, and deduct from that the professional people, we end up with about 116,000 people who could be called to work for us in Saskatchewan. The Canadian employment situation across the Dominion generally has improved, Mr. Speaker. January, 1955, five million had jobs; in January, 1956, 5,228,000 had jobs. This means there was another 228,000 people in Canada generally employed. This situation is also true on the prairies. In December, 1954, there were 897,000 employed; in December, 1955 up to 938,000 employed.

The unemployment picture had also changed, as had the employment situation. In Canada generally, unemployment in January, 1954, consisted of 569,582 people wanting work; in January, 1955 a year later, 484,553 people wanted work. That was a drop of 85,000 people looking for work, or a 15 per cent drop across the Dominion of Canada.

Prairie unemployment also dropped by 10 per cent, and we kept up with the drop in unemployment nationally, but Saskatchewan, as usual had to be different. Saskatchewan, in January, 1955, as you will remember from the Speech from the Throne was seriously concerned with the unemployment picture in the province of Saskatchewan. There were 20,000 unplaced applicants on the 27th of January last year. A year later less one day, we had 19,557 people in Saskatchewan unemployed. Certainly there was a decline, but there was a decline of only 593 people, or a decline of 3.43 per cent compared with the national average of 15 per cent. You will remember that, last year, this was a great crisis, but we have 593 people working more than the crisis period, and yet there is nothing mentioned of it at all; not a word.

The figures are still going up, Mr. Speaker. Today's report of the Weekly Labour Report of this province indicates that the figures are still going up, the unemployment figures. Last year it was a crisis; this year, with a comparable set of figures, it is not of sufficient consequence to place it in the Speech from the Throne. Last year, we were told that there was a great works-and-wages programme going to be brought into effect in this province to look after this unusually high number of people unemployed. And there was a works-and-wages programme put into effect very definitely in this province, and the province is to be commended for it. I want to say, further, that the problem of meeting unemployment is not primarily the problem of Saskatchewan. It is definitely a national problem but, in addition, it is also a regional problem, and a bit of it is also a provincial problem.

My problem is to see whether or not this administration is taking care of the provincial part of that problem, and I say that, last year, they instigated a works-and-wages programme which did take care of the vast numbers who were then unemployed and worrying about wages. The situation is not so much different, this year. We are down, certainly, but only 3.43 per cent from last year, this crisis year, and it certainly should be the intention of this Government to include it in the material which they included in their Speech from the Throne. If they have not, then they must feel that it was of such consequence that I would suggest they watch carefully the figures which the Department of Labour are producing, and that a works-and-wages programme be prepared and be ready to put into gear almost immediately.

I am satisfied that, if the suggestions of certain people are correct, that this might be an election year, that might be a further inducement to put into effect a works-and-wages programme.

Hon. Premier Douglas: — Would the hon. member permit me to interrupt him at this point, if I may. An important point has just been raised there, and I think the House ought to have the information. This Government has been in favour, as my hon. friend has said, of a work-and-wages programme; for the last two years we have carried one out. The reason no reference has been made to it, this year, is that we have now been informed by the Prime Minister of Canada that any money which we spend in work-and-wages programmes will not be shared by Ottawa under the Unemployment Assistance Agreement they have asked us to sign. Therefore, we must now determine whether we are going to pay all the cost and have a work-and-wages programme, or give social aid and collect half from Ottawa. This is the dilemma which faces us at the present time.

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The agreement hasn't been signed, and no further policy can be stated until the two aspects have been weighed.

Mr. Kohaly: — I certainly agree with the Premier that Ottawa should take a much more realistic attitude towards this problem. I very definitely agree that the problem is primarily national, but there is also a responsibility provincially. To the extent of that responsibility, and to that extent only, Mr. Speaker, I would suggest that the problem was similar last year, when we put into effect the programme which was somewhat sufficient, and this year the situation is almost comparable, and a programme of a similar nature should be contemplated and put into effect by this administration at the earliest possible date.

Albeit that the over-all problems, long-range problems, the main problem is not one on our shoulders, we must once again face up to this problem and take unto ourselves something in addition, that it should be borne by Ottawa, and make sure that these people are looked after during the next two months of the year. We are very close to that crisis figure of last year. That is my point in my bringing these figures onto the floor – to indicate that if, last year, it was so important, this year it is equally important, despite the fact that Ottawa may, or may not, be facing up to their responsibilities.

I have gone on at some length, Mr. Speaker, and it certainly was not in order to gain radio time. I feel that these things should be brought to the attention of the House. I certainly cannot disagree with everything that is in the Speech from the Throne; I feel that some things should have been included, and some things omitted. However, I do believe that a great deal of good is being done in this province by this administration, but that a good deal more could be done if they were so inclined. This province is an integral part of a rapidly expanding nation, and with just a little bit more 'push' in the next 50 years beginning with this year, we can take an even bigger part in the development of this nation. We have a responsibility to a large number of people in this province, and I am satisfied that they expect us all to take our share of it, including unemployment, including our tourist industry, including our trucking industry, and including our oil and natural gas industry.

If this administration is prepared to accept that responsibility, to do something about it, then I am satisfied that the people of this province will gain – each and all of us will gain; each and all of us will be a little more happy each day as we pick up our pay cheques. We'll be able to buy a little bit more of the good things of life, and we will be happier in the 50 years which lie ahead of us.

Mr. Walker (Hanley): — How are you going to vote?

Mr. A.T. Stone (Saskatoon City): — I beg leave to adjourn the debate.

(Debate adjourned)

THIRD READING

Moved by the Hon. Mr. Fines (Provincial Treasurer):

That **Bill No. 11** – An Act to assist Saskatchewan Cement Corporation Ltd. in establishing a Cement Manufacturing Plant in Saskatchewan – be now read the third time and passed under its Title.

Mr. A. Loptson (Saltcoats): — Mr. Speaker, I think I gave notice in this House when we were in Committee that I was going to move a six-months' hoist; and an amendment could be read six months hence. It being nearly six, I was wondering if I could adjourn the debate until the next session of the House, and call it 5:30 o'clock. It will probably take me ten minutes to say what I have to say.

Mr. Speaker: — If you wish to make this motion, would you split it – that is, you should have it apply to the reading of the third time.

Premier Douglas: — The hon. member is asking Your Honour to call it 5:30 so that at 7:30 we can resume debate on the third reading of this Bill. Is that correct?

Mr. Loptson: — That is correct.

Premier Douglas: — There is no dissent on this side.

Hon. Mr. Fines: — I will move that the said Bill be now read a Third Time.

Mr. Loptson: — That's fine.

7:30 o'clock p.m.

The debate continued on the proposed motion of the Hon. Mr. Fines:

That Bill No. 11 – An Act to assist Saskatchewan Cement Corporation Ltd. in establishing a Cement Manufacturing Plant in Saskatchewan – be now read the third time.

Mr. A. Loptson (Saltcoats): — Mr. Speaker, as the House arose at 5:30, I was about to say something on this motion before it was passed. I say 'before it was passed' because I assume there isn't any question about the members on the Government side voting for it, whether they like it or not. If they do not, they might be left by the wayside as the hon. member for Swift Current (Mr. Gibbs) has, who dared to vote against the Government here on the Old-Age Pension Bill.

My remarks are going to be short. This Bill provides for advancing \$5,500,000 to assist in building a Cement Plant on the outskirts of Regina. The Provincial Treasurer, when bringing in the Bill, made some representations which I became a little dubious of. I am not going into the personnel of this company,

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because they are, I think, all respectable and honourable gentlemen. They are promoters, and this proposition is no different to an ordinary promotion. But I do want to say this: that I believe that these men are quite capable, financially, to build this thing without any assistance from the Government itself, if the proposition is as sound and as glowing as they make out it is.

In view of the fact that the Provincial Treasurer made these representations I asked for a statement, or what we call, a prospectus, which is usually set up when companies are formed, in order to substantiate some of the statements that he made. Now I have gone through this prospectus pretty carefully, and I find that his statements are considerably at variance with the facts as they are set out in this prospectus. It is for that reason that I am making these remarks here, this evening, so that you gentlemen, members of the Government as well as the back-benchers, should know and assess for yourselves whether the proposition is as it was presented to you.

I am going to read the statement of the Provincial Treasurer from his speech, which is probably one of the most important parts of his presentation. I was led to believe, and I think that most of the members were led to believe, that if this money was advanced to this company, that the shareholders, or the promoters, were not going to draw anything out of this company for themselves, out of the money that was put into that company until the debentures were paid. That is not according to the facts. Whether I misunderstood the hon. Provincial Treasurer or not, those were my conclusions.

I am going to read this as it starts here. After he had gone through all the preliminaries and told us about the shareholders and the promoters, he said:

“The proposal originally made was that we should put up \$3½ million of the total of \$8½ million. They were prepared to give us first mortgage bonds to an extent of \$3½ million, in return for this amount of capital. They then proposed that they would put up, themselves, \$2 million, for which they would obtain the common stock, and that they would sell second mortgage bonds totalling \$3 million, also at the rate of 5½ per cent, but that these second mortgage bonds would have some other feature, such as warrants, which would entitle the holder to purchase common stock under certain conditions.

“However, that deal fell through when the company found difficulty in raising the \$3 million. they then came back to the Government later on with another proposition, which I shall tell you of later. In the meantime, the Government decided, before it could put up this \$3½ million, that we would have to have our own independent survey made; so we engaged a firm . . .”

Well, I am not going to go into that, because I think the firm is a respectable one. But here:

“Then the company came back to the Government around the first of October when the first plan had fallen through. They had been unable to get any firm commitment from any underwriters to raise the \$3 million. The \$3½ million they were going to get from the Government would not, with the \$2 million which they were prepared to put into the company themselves, be sufficient. So they came back with a new proposition and that was that they would raise the \$2 million out of the sale of common stock. They themselves, would put up \$1 million . . .

Well, there is some mix-up here:

“and \$1 million would be obtained by the sale of common stock, making \$2 million in all; and then they suggested that the Government be prepared to guarantee debentures totalling \$5,500,000. They had approached the Bank of Montreal in Montreal, and had been able to get an assurance from the bank that they were prepared to buy these bonds, with a Government guarantee attached.

“The bank officials came out to Regina, and this was when I was called in to work out the details. First the bank suggested that they would lend the money to the company at 4½ per cent, with the provision that the province would get a guarantee fee of one per cent . . .”

And I am not going to read all that to you.

“Now there were certain precautions we took. First of all, we said to the directors: ‘We feel that you people should be prepared not only to put up this \$1 million in cash which you are putting up; but that you should be prepared to guarantee the first payment.’ They have agreed to do that, under the Trust Deed which has been drawn up and under a subsequent agreement with certain of the Directors, they have agreed that they will guarantee the payment for the first \$550,000 . . .

Premier Douglas: — Personal liability.

Mr. Lopton: — The Hon. Mr. Fines then continued:

“Yes, it is under their personal guarantee – liability – not out of the company. They cannot use up any of the assets of the company; that would come directly from their own personal funds.

“And then the second thing we said to them: ‘We are interested in this, not only for three or four years, but until the whole thing is paid up.

“We therefore, would like to have you people give us an undertaking that you will not dispose of your common stock’; and they agreed to that. The common stock will be in escrow with the company which did the financing, that is, with the syndicate, for a period of three years, after which time they are prepared to put that stock in our hands or in Trust Company and that stock cannot be released except with our written authority;”

Hon. Mr. Fines: — Mr. Speaker, might I just correct my hon. friend. On the copy which was submitted to me I made a correction. That should have been 18 months, not three years. If you will just read it as though it were 18 months.

Mr. Loftson: — Well that makes it, of course, still worse for you.

“The reason for them retaining that is in the case of death, for example . . .”

Now the question that I make is that this statement does not agree with the facts in the prospectus. In the first place, they issued 1,200,000 shares (and I presume that those shares were bought by the promoters) for which they paid \$1,400,000 and I am going to relate this as the escrow guarantee. I was under the impression that whatever common stock these promoters bought would be placed in escrow. Now here is the agreement:

“By agreement with Messrs. Martin, Welsh, Sharpe, Davidson, Chester and Cameron McElroy Jr., have agreed to deposit 886,998 shares purchased by them from the company at \$1.00 per share with . . . and Company, to be released only as collateral security to any recognized financial institution; and in any event, not to be sold for a period of 18 months” (that is where your 18 months comes in) “from December 6, 1955, or such lesser period as Lott, . . . and Company may determine in their own discretion.”

Now I presume that these underwriters were holding these shares in escrow while they were disposing of the 300,000 shares that they had bought from the company in a lump sum, which had to be sold to the public. This is common practice.

Now then, having sold them, or if they sold these 300,000 shares tomorrow at their discretion they could release these 886,998 shares to the company. But it says further:

“The said Messrs. Martin, Welsh, Sharpe, Davidson, Chester and McElroy, have agreed with the Government of Saskatchewan that 476,000 of the said shares deposited with . . . and Company subject to release to a recognized financial institution as collateral security in the same manner as aforesaid, or to earlier release in the discretion

of the Government of Saskatchewan, shall not be sold before September 1, 1957.

“On September 1, 1957, or whenever 10 per cent of the bonds have been redeemed, whichever occurs the sooner, 20 per cent of the said shares (of the 476,000 shares) shall be released . . . to the said persons. Thereafter a further 20 per cent of the said 476,000 shares shall be released to the said person pro rata on September 1st on each succeeding year, on, or for each 10 per cent of the bonds in excess of the first 10 per cent that are redeemed, whichever occurs the sooner.”

Now, I submit, Mr. Speaker, that we have, as far as the shares are concerned – they probably may not be of much value anyway; but the most that they would ever put in escrow for the Government is 476,000 shares and they are redeemable at the rate of 20 per cent for every 10 per cent that they have paid off the bonds.

Now then, having explained that, I want to explain to the House just what this company is going to make out of this proposition. In the first place, I want to say this, that there must have been a reason for the financial institution refusing to put up this money. There are hundreds, yes, I might even say thousands – of financial institutions in Canada and the United States who are in possession of hundreds of millions of dollars of savings for the disposal of such savings into a reliable undertaking or industry; and here they have turned down, at 5½ per cent, with the escrow and warrant bonuses which sometimes amount to quite a considerable bonus if the undertaking is successful, and the shares go up in price.

I would submit, Mr. Speaker, that there is only one of two things – or maybe there is part of both, as being the reason why they turned this offer down. Firstly, I would say, they didn't think the proposition was sound, because if it was sound then why would not they take advantage of such a golden opportunity of getting 5½ per cent on their money, plus a bonus? Secondly, I would say that they were afraid of the Government in this province. That might well have been one of the reasons, and maybe it may have been the main reason, I don't know; I am speaking from the soundness of the proposition. I have said before in this House that a cement plant is a fair-weather proposition. There were years and years; as a matter of fact, there wasn't a cement plant in Canada that I know of that was making money, until this second world war when the Government started to buy cement in tremendous quantities; and I would suggest that, when the government expenditure is over (which I hope will end sooner or later) there is going to be plenty of cement in Canada to supply the demand. I would prove that by an article that I have here – a report of a general meeting of The Canada Cement, and I don't know but maybe that may have been the reason for these other men changing their minds. This is from an article dated February 21, 1955, in Montreal:

“Canada's cement industry is undergoing a 10-million barrel, \$50-million expansion, this year and the cement short-

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age will end by 1957, the Gordon Economic Commission was told.

“J.M. Green, President of the Canadian Cement Company Limited said the shortage of the last few years has been greatly exaggerated; it never amounted to more than 10 per cent of consumption and, generally, was much less. However, he believes there still will be a minor local shortage during 1956 until the expansion now under way is completed next fall. By 1957 Canada should have more cement than it can use, he said. Consumption, in 1955, totalled about 27 million barrels, and looking ahead Canada’s demand for cement may rise to about 39 million barrels by 1975. In 1956, expansion may take care of all Canada’s needs with no further expansion required for almost the next 20 years.”

Then we have another article from the same date from Montreal:

“Production per unit as a result of expenditure by the company in the amount of \$86 million to the end of the year 1955, production capacity of the plant will have been increased to 24 million barrels by the end of 1956 from some 10 million barrels in 1955, or more than twice the capacity. This expansion has been carried out at a relatively low average cost per unit, Mr. Green, President of the company, said.

“An average capital expenditure of \$5.50 a barrel of increased annual output was cited by Mr. Green as the cost of the additional facilities.”

Now I am quoting this cost per barrel, and you may compare that with the cost per barrel of this Plant, so I am going to submit that, while this company proposes to spend \$7 million on a plant, if it should only cost \$5.50 per barrel, then the expenditure should not be very much in excess of \$4 million. Suppose they went to \$5 million – then what are they going to do with the rest of the money? Having said that, Mr. Speaker, and having informed my hon. friends of these facts, I want to draw your attention to the promotion incentive in this project.

As I said before, these promoters have bought 1,200,000 shares for which they paid \$1,400,000. I presume they will pay it, if they haven’t already paid it. Now they propose to put in escrow 856,998 shares of that total. That leaves for them to put on the open market 343,002 shares. The underwriters are selling these shares to the public now at \$2.35 a share. At that rate they would be getting back some \$806,547 of their money; then they can get released from escrow from the brokers another 380,998 shares and if they sell them, too, that gives them \$895,000 back of their 1,400,000. Then they have bought 310 acres on the outskirts of Regina, for which, I understand, they

paid \$150 an acre, amounting to \$346,000. They went to Manitoba and they took a government lease on the limestone quarry there, for which they themselves claim they paid about \$1,000. In other words, they paid \$46,000 for the land and \$1,000 for the quarry; but they charged the company \$476,000 for it. Not a bad profit. And the Government of Saskatchewan is going to lend them the money to pay themselves that much money. It is a pretty nice thing. All in all, before they ever turn a wheel in this plant, they can take all of the money that they put into it, plus about \$400,000 profit.

That is the story, and I submit, Mr. Speaker, that in all fairness I don't think the rank and file of the C.C.F. are very fond of handing out a million dollars to promoters. They can very well start this plant without these promoters. They can go across the road and buy the next quarter-section for \$150 an acre if they think the proposition is sound, and build up their own plant. That is Socialism – and that is what you claim you are. Why should you pay these men \$1,500,000 out of public funds when you can save that money and have the same plant?

In view of these things, Mr. Speaker, I think it is very desirous that the members of the House – and I don't mean the members on this side of the House alone, but I think my hon. friends sitting on your right who have been subject to the misleading of the Provincial Treasurer –should be insisting on having time to decide.

I have heard many funny stories about the Provincial Treasurer helping out promoters before, but I never heard of him dipping into the provincial treasury to do so, until now.

So, I propose to move, seconded by Mr. Danielson

“That the word ‘now’ be deleted and the words ‘this day six months’ be added to the motion.”

The debate continuing on the proposed amendment of Mr. Lopton:

“That the word ‘now’ be deleted and the words ‘this day six months’ added to the motion.”

Premier Douglas: — Mr. Speaker, I shall only detain the House a few minutes. I would like to say that it is very difficult to follow the inconsistencies of the gentlemen opposite. I would like to remind the House that it is only a few years ago, particularly under the leadership of Mr. Tucker, that the gentlemen across the way carried on a constant barrage of criticism that there weren't sufficient industries coming into the province. We were told the reason they were not coming in was that we weren't offering any inducement. We were told at length about what was being done in Ontario, where, in some cases, the Government, under its Industrial Development Office had built plants and simply leased them to firms who came in. We were told about cases in Quebec, where sites were purchased by the Government and given to the companies, and about cases in Newfoundland, where the Government spent almost half the money it got when it came into Confederation, for the construction of plants which were

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turned over, with the key in the door, fully equipped, for a nominal lease, to companies that would come in and operate these plants.

We were told all these things, and it was pointed out to us that here we were very slow in not following those up-and-coming provinces. I pointed out during those criticisms, that we had an Industrial Development fund and that we had an Industrial Development Office. We didn't have the millions of dollars that Ontario and Quebec had, and we hadn't had a present of \$43 million from the Federal Government, so our Industrial Development fund must, of necessity, be a modest one; but we did believe that by the judicious use of that Industrial Development fund and by the hard work of the Industrial Development Office, we would get industry coming into the province. And they have been coming in; and they are coming in in increasing numbers. I would like to say that now there is not a week goes by that we don't get anywhere from six to a dozen or twenty requests by companies who are interested in coming into the province.

From our Industrial Development fund we have made a number of loans to companies. We have made it a practice never to loan, unless there is some special reason, more than 50 per cent of the value of the capital assets; and as a result of those loans a number of companies have come in and have set up industries in the province. Others have come in without any assistance from the Industrial Development fund, but have had some assistance from the Industrial Development Office, which has gathered a good deal of data and helped them work out their market surveys, helped them work out their cost accounting and so on. A good many of the Boards of Trade and some of the City Councils, who have set up industrial development committees, have given invaluable service in bringing industries into the province. Some of these city groups have purchased sites and turned them over to some of these companies. Some are excellent sites. They have made concessions in the matter of bringing light and water to factories, and offered various inducements to co-operate with our Industrial Development Office in bringing these industries in; and all that is to the good.

Two or three years ago I brought a Bill into this House asking the Legislature to place a guarantee behind a loan for a similar amount of money which the Saskatchewan Federated Co-operatives were borrowing to enlarge their refining facilities in the province. No one took any exception to that. We guaranteed that loan without receiving one five-cent piece for any risk that may have been involved. I think everybody agreed that we should. After all, it was our own people who were getting the benefit of that expansion to the refinery; our own people in the country and the members of the Co-operatives who were going to derive any gain that resulted from that investment. And so the Government put its guarantee behind that bond issue without getting any compensation whatsoever.

But here is a different situation. Here a group of private individuals are going to start up a business, and if there was to be any risk involved (we will deal with that for a moment), we felt that they ought to pay something for it. They could not have borrowed money at 3½ per cent without a government guarantee. Our estimate was that it would cost them 5½ per cent to go on the open market. And whereas we had not asked for any contribution

from the Co-operatives we were, with a private company, justified in saying: "Here, if we are going to help you borrow money cheaply, then we will expect you to pay us the amount that you save thereby, namely 2 per cent per year."

This particular deal could have been dealt with in one of two ways. We could have loaned this company the money out of the Industrial Development fund. We would have had to ask the House to enlarge the amount in the fund, but we could have made this loan out of the fund. That would have tied up a fairly large sum of money for a period of years, and it would have left us less money to deal with some other industries, smaller industries, that might have been coming into the province.

The other alternative was to get the bank to lend them the money, and for the Government to place a guarantee behind that bond issue and for the Government to collect 2 per cent as a reward for the service which we were giving to this company.

Now, Mr. Speaker, when my friend talks about risks – when in other provinces they have built a factory and equipped it and turned it over to a company for a nominal price, certainly they were taking a risk, a very considerable risk. The Federal Government has put up plants and turned them over to companies to operate for a nominal amount per year, and they took a risk. Now in any industry, of course there is a risk. There was a risk when we guaranteed the money which the Federated Co-operatives were borrowing to expand their refinery.

The member for Saltcoats (Mr. Loptson) has quoted the cement picture and pointed out that it is a fair-weather industry, that it can go back to the bad days, or there won't be any demand for cement. Well, that is a pretty pessimistic view . . .

Mr. Loptson: — We don't have to go back to the bad days.

Premier Douglas: — If we had taken that position with reference to the Co-op Refinery we would have said, "You don't need to expand your refinery"; because this province got along for years with a refinery capacity of 17,000 barrels per day. We are not up to some 67,000 barrels per day, and it is going to have to be expanded again. We are not going to take the position that if we expand our refining capacity any more in this province, somebody might go broke and, therefore, we will not advance that guarantee. We believe that we are living in an expanding economy.

I think the vision and the foresight which the member for Saltcoats has displayed will be rather interesting to the people of this province. I used to think he was fooling when he said he thought the Liberals would get back in; but he must really believe it, because he seems to think there is a very bleak future for Saskatchewan. Well, I don't, Mr. Speaker. When the Minister of Trade and Commerce . . .

Mr. Loptson: — On a point of order, Mr. Speaker. My hon. friend, I didn't say that it needed a depression to absorb the cement that is now being manufactured. It needs a continuous 'boom-boom' to take care of what is already being made, without this plant.

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Premier Douglas: — I am coming to that.

Mr. Danielson: — You are twisting his words around.

Premier Douglas: — The Minister of Trade and Commerce has just made a statement in Ottawa that “the construction programme for the next two years is the greatest in our history”; and he doubts if either supply or labour can be found to keep pace with it.

The facts which have been placed before the Gordon Commission by every province in Canada and almost every industry in Canada put forth the theory that over the period of the next 15 or 20 years we shall see a very steady development in industry and in construction. We still need, in Canada, over 1½ million new homes. It came over the CBC yesterday that a new document on private and public investment was tabled in the House of Commons on Friday. I think Mr. Michael Barclay, representative of the ‘Financial Post’ said yesterday over the CBC that the public and private investment estimated for this year by the Department of Trade and Commerce is over \$7½ billion.

Now, with that anticipation of an expanding economy, I don’t think we need be afraid that there is not room for new industries in Saskatchewan. As a matter of fact, my friend proved our point by quoting from Canada Cement. If Canada Cement is going to increase its capacity by – what did my friend say? 10 million barrels?

Mr. Loptson: — Fourteen million.

Premier Douglas: — . . . fourteen million barrels. If Canada Cement is going to . . .

Mr. Loptson: — And they have already said they are over-expanding.

Premier Douglas: — If they are going to increase their capacity it is because there is a market in Canada.

Mr. Loptson: — They have already expanded.

Premier Douglas: — They have not already expanded. They have just given orders for a new expansion which is going to start this summer, which is proposed to be completed in 1957 or 1958.

Mr. Loptson: — No, they were in production this year.

Mr. Speaker: — Order!

Premier Douglas: — If this company, which has been in the cement business for a long time, is prepared to spend large sums of money in expanding their facilities, surely there is room for a cement industry in Saskatchewan. As a matter of fact, if Canada Cement can expand its facilities and ship cement into Saskatchewan and make money, how much more should a cement industry in Saskatchewan be able to make?

I find it difficult to understand the reasoning of the gentleman opposite. He wants new industries; they want us to offer inducements to industries . . .

Mr. Walker (Hanley): — Not really.

Premier Douglas: — When we get new industries and we offer them inducements, they are against them because the risk is too great, because the industry is liable to go broke. I didn't think that the gentlemen opposite would object to a risk because I notice that, speaking in Prince Albert, the Leader of the Opposition (Mr. McDonald) wanted us to spend \$73 million in a pulp and paper industry.

Mr. Loptson: — Well, that's a better proposition than . . .

Premier Douglas: — If we are prepared to invest \$73 million . . .

Mr. Danielson: — It's the public funds.

Premier Douglas: — . . . not guaranteeing it, but putting it up — on an industry which depends for its market in points all over Canada and the United States, how much less of a risk to invest money in an industry in our own province where the market is in our own province. At the present time we are consuming, in Saskatchewan, anywhere from 1,300,000 to 1,400,000 barrels a year. The capacity of this plant will start at about 850,000 barrels and will be stepped up to probably one million barrels; so that even if this plant gets 80 per cent of the market immediately around its location, if it gets 75 per cent of the market in Regina and Moose Jaw and Saskatoon, and the other communities of the province, it has every reason to expect to be successful.

Mr. Loptson: — Why didn't the other fellows lend the money, then?

Premier Douglas: — My hon. friend knows perfectly well that the first proposition was that they would borrow \$3 million with a second mortgage. Not many people want to take a second mortgage.

Mr. Loptson: — If it's a good proposition, that doesn't matter.

Premier Douglas: — How many companies want to take a second mortgage?

I want to point out that the risk involved, in my opinion, is infinitesimal compared to the suggestion that we spend \$73 million in a pulp and paper industry, where almost the entire sale of the commodity would have to be outside of Saskatchewan and some of it outside of Canada.

There has been a lot of talk about the risk involved. Out of the \$5,500,000 which we are guaranteeing, the first payment for 10 per cent has to be met by the immediate promoters . . .

Mr. Loptson: — Mr. Speaker, that is not a fact. That is, if they are in control of the company they can take the money out of the company, and they have a right to do so . . .

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Premier Douglas: — they can't take it out. They can't take it out at all.

Mr. Loptson: — It says right in their agreement.

Mr. Speaker: — Order!

Premier Douglas: — It doesn't say so in the Trust Deed which was signed. The first payment . . .

Mr. Loptson: — Mr. Speaker, on a point of order, I am not going to let that go by, because they are only guaranteeing the payment. If the company doesn't pay it, then they will pay it.

Premier Douglas: — That's right.

Mr. Loptson: — So they are not putting the money up. They will see that it comes out of the profit of the plant, if they have to.

Premier Douglas: — As was pointed out, it is provided in the Trust Deed that they cannot take it out. They cannot take any money out of the company until they have first of all satisfied the payments on this bond. So that the first charge against these bonds, if the company itself is not able to make the first payment, must be made by these promoters, themselves, out of their own pocket. Therefore, that will mean that all we could possibly be liable for would be \$4,950,000; and our security would be an \$8½ million plant. There would be their deposit of limestone, their . . .

Mr. Loptson: — That's not right either, Mr. Speaker. I want to . . .

Mr. Speaker: — Order!

Mr. Loptson: — On a point of order . . .

Mr. Speaker: — Order!

Mr. Loptson: — On a point of order, it has not been said that there is an \$8½ million plant. They propose to spend \$7 million on the plant. My hon. friend, you should read the prospectus and you would know what you are talking about.

Hon. Mr. Brockelbank: — Mr. Speaker, the hon. member has no point of order. He just wants to make another speech.

Mr. Speaker: — Order! Order! The hon. member outlined his interpretation. The Premier is on his feet and is giving his interpretation.

Mr. Loptson: — But, Mr. Speaker . . .

Mr. Speaker: — The hon. member has already had his opportunity to speak. If there are other members of the House who cannot agree with what the Premier is saying and think that he is not giving facts, then they can take the opportunity refute what he is saying.

Premier Douglas: — He hasn't any point of order. He is just trying to carry on and argue.

I was saying, Mr. Speaker, before I was so rudely interrupted by my hon. friend, that the very most that the people of Saskatchewan could be liable for would be \$4,950,000 against which you have total assets of some \$8½ million.

Mr. Loptson: — That is not true.

Mr. Speaker: — Order!

Premier Douglas: — If my hon. friend will just keep quiet and listen . . .

Hon. Mr. Nollet: — If he would just shut his mouth for a while.

Premier Douglas: — He doesn't understand so he has to go to the broker and ask him to explain it to him.

Mr. Loptson: — I repeated the prospectus.

Mr. Speaker: — Order!

Mr. Loptson: — It says right in the prospectus it is only \$7 million.

Mr. Speaker: — Order! Order!

Mr. Loptson: — You can't call that \$8½ million.

Premier Douglas: — If my hon. friend would listen for a while he might find out, and he would find the total assets, which will include the plant; which will include the deposits of limestone; which will include the deposits of shale and clay here in Saskatchewan; which will include the branch lines which will cost in the neighbourhood of half a million dollars to build . . .

Mr. Loptson: — Doesn't that . . .

Mr. Speaker: — Order!

Premier Douglas: — all of that will make total assets of \$8½ million, and the Government will have first charge against all of those assets; and the very most it will be underwriting will be \$4,950,000.

Now, Mr. Speaker, I don't consider that is a very great risk to have to take. But I want to say this. If the shoe had been on the other foot, and if some company had come in and offered to put up a cement plant, and we had refused to agree to underwrite their borrowings up to about 60 per cent of their assets (which is what it is here), and they had gone away and located in Manitoba or Alberta, the very member who has now moved to kill the Bill is the man who would be going up and down the length and breadth of the country, saying, "The Government is pushing out free enterprise

because they want to put up a Socialist cement plant.”

Mr. Loptson: — I am just going by . . .

Hon. Mr. Nollet: — Oh, you don't know where you are going, Minty.

Mr. Speaker: — Order! Order! The Premier has the floor of the House. There will be opportunities in this discussion for every one who wants to speak in it. Any one in this House can speak to this Bill if they so wish, but do keep order while someone else is on his feet. If you want to reply, reply in the proper and orderly manner.

Premier Douglas: — Mr. Speaker, I don't mind the member for Saltcoats, because he talks all the time he is sitting over there. For some strange reason, the moment he sits down he gets concussion of the brain; but I don't mind a bit providing I can proceed with my argument.

I want to point out to this House, and I want to point out to the people of Saskatchewan, that the men in this House who have talked most about private enterprise, about the people who are willing to put up risk capital, about the fact that we have to show some imagination and some initiative and take some risk, are the people who are now attempting to kill this Bill, to prevent this industry from coming into the province, to prevent a factory being established that will not only give employment to our people but will give our people cement at a much more reasonable price than they have been able to obtain it for before, who will not be entirely dependent upon a great cement monopoly which, up until now, we have had to depend upon for our supplies. As a matter of fact, in the last two years a good many people in Saskatchewan have had to buy cement from the United States, and pay a very considerable premium to get American cement because Canadian cement was unobtainable.

Here is a chance now to produce cement right her, to give it to our people at a reasonable rate, and because of the competition involved, they will probably be able to get cement from The Canada Cement at a much better price than they have been able to get it hitherto. I do not think, Mr. Speaker, that the people of this province will think the risk is too great. I think the security we have is ample. I think the prospects for this company are good – and I am certain that if we had come before this House and asked that the Government, out of the Industrial Development fund, put up half the cost of this operation, the House would have agreed to it. But we are not asking the House to put up a dollar. We are asking the House simply to guarantee a loan, and to get paid over half a million dollars for doing it – on a loan which I think has a very good chance of being a sound one.

There is always an element of risk. There was an element of risk when we guaranteed the bonds of the Federated Co-op Refinery. There is always a risk when we make a loan, as we sometimes do, out of the Industrial Development fund. That is a chance which we have to take. I am convinced that, in the long run, this will prove to be of great benefit to the province not only in terms of industrial development, but in terms of a better price for cement to the consumers of this province.

I am surprised that the gentlemen opposite, who have prated so much about free enterprise and about getting industries into the province, should be the first people to get up and try to kill the Bill. I will leave it to them to explain to the people of the province why they have made this sudden about-turn.

Mr. Loptson: — We will.

Mr. Harry Gibbs (Swift Current): — I am altogether in accord with this Bill and I was only hoping that it would have been a Socialistic Bill, as far as I am concerned, personally. And I know that I have always been an advocate, and so I believe has the Government of Saskatchewan, of trying to bring industry into our province. The more we bring in, the more we extend, the more workers we have and, of course, the wealthier we will all be. It goes for better conditions all around and I am all for it.

But I go back to a few years ago, Mr. Speaker, and I would like to deal on principle. I remember the time that a firm in Swift Current, a few years ago, wanted to borrow some money from the Government. It didn't go into millions; it was a matter of a few thousand dollars; and they couldn't get it. I don't know whether the Government thought they were a risk or not, but I didn't; and I certainly would have approved it and I asked for it to be approved. Now this firm extended their operations and also they extended their wage-earner list because they took on more employees, extended their building, and I am going to tell you they have a fine place today. But it seems to me that the more you want to borrow – if you go into the millions you will get it; and if you don't aspire to go into the millions well, then, you are going to have some time to get it.

I believe that we should treat each and every one the same. I mean to say that this firm I am speaking about would have guaranteed their collateral and everything that goes with it; and eventually they did build a good building and extended their operations.

Premier Douglas: — What company was that?

Mr. Gibbs: — The Sun Printing Company of Swift Current, and I might say that they are prospering and they are going ahead fine. They have one of the finest printing shops in the province of Saskatchewan, for the size of it.

Now that is the only point I want to make. I want to be consistent. As I said, I am not against loaning money, trying to induce (and I will do all I can to induce) industries and operations into our province. Sure, I think this Government – that is what we intended it to be right from the first. So, as I said, I just wanted to speak on this Bill, in comparison to what was done a few years ago. I hope in the future, if there are any small firms or companies in our province who do wish to expand, without too much risk capital being involved, that they will get the same consideration as this company is getting.

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That is all I am asking, Mr. Speaker, so I thought I would bring it to the attention of the House and I can tell you honestly and sincerely I shall support this Bill in order to bring industry into our province.

Mr. Loptson (Saltcoats): — May I ask you a question? Are you in favour of promoters taking away \$1½ million? I would suggest you read the prospectus, and then you would know what you are talking about.

Mr. Gibbs: — Well, I am pretty certain, Mr. Speaker, that this has been given very serious consideration and thought, and I do not think there will be too much risk involved as far as this cement corporation is concerned. I know it will be a great asset to this province, and I know it will be a great asset to the building trade, building houses and everything that goes with it. I don't think there will be too much risk, and that is why I am going to support it.

Mr. Loptson: — That isn't what I asked you.

Mr. Speaker: — Order! Order!

Mr. Loptson: — That wasn't an answer to my question.

Mr. Speaker: — Order!

Mr. Wahl (Qu'Appelle-Wolseley): — Mr. Speaker, when I first heard about this Saskatchewan Cement Corporation I went to the bank manager of the bank I deal with, and I asked him to investigate this company to find out if it was any good. In about a week he got a report. He said, "This thing is so good I am going to invest all the money I have in it." So I said, "I want you to buy me some shares in this Saskatchewan Cement Corporation." He found out they were to be sold on the Toronto Stock Exchange.

We put in our order to buy some shares and it is a sad story as far as I am concerned, because they were sold. Evidently the financial interests in Canada think this is a good thing, and they have bought all the shares; and the investor – I expect there were many like myself – we were just simply too late. I am very sorry to say I was too late because, from all reports I have obtained, this is an excellent thing for Saskatchewan, and I commend the Provincial Treasurer for backing the note and getting this company in here, because evidently it is going to be good.

Mr. McDonald (Leader of the Opposition): — Mr. Speaker, if the financial interests of Canada think this is such a good thing I wonder why they didn't buy the \$3,000,000 worth of shares when they had the opportunity.

I want to say a word or two about the Federated Co-ops and when we decided to back them a year or two ago. The Federated Co-operative had been in the refining business in the city of Regina for some considerable time and, as far as I know, they had made a very good job with the facilities which they had at their disposal, and I think that this Legislature did the right thing in extending credit to them so that they could enlarge their operations.

Now undoubtedly the Government of this province has spent some considerable time, months probably, discussing this proposition with the Saskatchewan Cement Corporation, but the Bill was brought into this Legislature a few days ago and we are asked to give our consent to it in a matter of days. In all fairness, Mr. Speaker, I do believe that the Opposition should be given just as much opportunity to investigate this cement company as the Government has been given; and the Government, as I say, has probably had several months to look into this particular matter.

I think this is the main reason that my friend from Saltcoats has moved a six-months' hoist on the Bill.

Hon. Mr. Kuziak: — That would kill it, though.

Mr. Speaker: — Order!

Mr. McDonald: — Now there has been reference here, this evening . . .

Hon. Mr. Sturdy: — That isn't what he said.

Mr. Speaker: — Order!

Mr. McDonald: — the hon. member from Saltcoats moved for a six-months' hoist of the Bill. In other words, it would be considered again six months from now

There was a reference made here that I had advocated spending \$73 million on a pulp and paper industry at Prince Albert. Mr. Speaker, I think I would say, at this time, that during my remarks in Prince Albert at that particular time I was referring to the \$73 million that this Government had offered to put into the construction of the South Saskatchewan dam; and I do not think for one moment that it would cost \$73 million to develop the pulp industry in northern Saskatchewan, or anywhere near it; but I said, if they had \$73 million to put into the construction of the South Saskatchewan dam, I thought they could use that money towards opening up the northern part of this province, and that, in doing so, they would convince the people of Canada that it was in the national interest to construction the South Saskatchewan dam; and then, and only then, would the people of Canada be prepared to build that dam in this province. I said that the pulp industry would be one of those industries that would use power that could be developed at the South Saskatchewan dam.

I note on page 31 of the Provincial Treasurer's remarks, when he was speaking about the spur line to be run into the quarry in the province of Manitoba, he had this to say:

“Now may I say that the directors have agreed to something else. The limestone deposit is seven miles from the railway, and they have agreed to construct a spur line for this distance of some seven miles. The spur line will cost somewhere in the neighbourhood of half a million dollars. This is to be financed entirely by certain of the directors themselves.”

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I notice in the prospectus, in referring to this particular spur railroad line, they mention that they will build this line from their own funds, if it is found necessary. They do not say that they will build this spur line definitely from their own financial resources, apart from anything that they may have in the company.

It is rather interesting that if the information we have been given is correct, the holdings of this company to date – in other words, the site to build the plant n, the amount of money they have invested in that – the amount of money they have invested in the quarry, and the amount of money they have invested in the clay deposits here just outside the city of Regina, amount to some figure around \$50,000 . . .

Mr. Loptson: — Forty-seven thousand dollars.

Mr. McDonald: — Well, that is close to \$50,000; but, according to the prospectus, again we read here that they have been given a cash consideration, paid for the aforesaid properties, and it was in the sum of \$476,000. Well now, Mr. Speaker, I would like to know definitely how much this cement company paid for the limestone quarries in Manitoba; I would like to know definitely how much they paid for the land they bought for the plant site here outside the city of Regina; I would like to know definitely how much they paid for the clay deposits in the same locality. We don't know these things. Undoubtedly the Government does know them. But I think that we should have the opportunity and the time that is necessary extended to us to find out, for use, whether this cement company would be a good thing for the province of Saskatchewan, or whether there is a possibility of some promoters making some financial gain out of this particular company.

Premier Douglas: — Why didn't you ask those questions when we were in the Committee of the Whole; that is the place to get all that information.

Mr. McDonald: — When we were in Committee of the Whole, if you will remember, Mr. Premier, we didn't have a prospectus at that time, and it was just the night before that . . .

Premier Douglas: — Oh yes.

Hon. Mr. Fines: — Yes.

Mr. McDonald: — No, we did not.

Premier Douglas: — Certainly you did.

Mr. McDonald: — No, it was the night before that the Provincial Treasurer gave to me the information that he had in the House at that time, but it did not contain a prospectus.

Premier Douglas: — It was two nights before, but the member for Saltcoats (Mr. Loptson) had a prospectus when the Bill was in the Committee of the Whole.

Mr. McDonald: — He may have had one; I didn't have one.

We had been led to believe – and quite possibly that would be the situation; but I don't know; we have been led to believe at least that this is a very good risk. I am inclined to think probably that it would be; but if those people who are in the financial fields of Canada and the United States have turned down this proposition, then why should we, as a provincial legislature, vote this money at this time, or until such time as the members on the Government side of the House and the members on the Opposition have had an opportunity investigate this company further; not only the company, but the whole proposition that has been brought before this Legislature.

There has been some reference made to the fact that this company were not able to borrow money for 3½ per cent. Well, Mr. Speaker, with the arrangements that we have now, the company is going to pay 5½ per cent interest. They would have had to pay 5½ per cent interest if they could have borrowed the money on the open market either in Canada or the United States. I knew full well when we questioned this Bill that the supporters of this Government would say, "Well now, isn't that wonderful. Here we have the Liberal Party out crying for industrial development in Saskatchewan, and on the other hand, they are going to question this Bill." Well, I, for one, am not prepared to spend \$5½ million of the people's money of this province unless we are given the opportunity to investigate every angle as far as this company or any other company is concerned.

I also sometimes wonder if we have \$5½ million to put into a cement industry in Saskatchewan, if we could not accept a little more responsibility as far as the cash shortage of the farmers of this province is concerned.

Premier Douglas: — We are not putting up a dollar. What are you talking about – putting up \$5½ million!

Mr. McDonald: — You may have to put up \$5½ million. Who knows? I am sure you don't know. When the financial interests of Canada and the United States turned down this proposition . . .

Mr. Wahl (Qu'Appelle-Wolseley): — They didn't turn it down.

Mr. McDonald: — they certainly did turn it down, and that's why I say that I would like to have the opportunity to look into it further. It may be that one of the best things we could ever do would be to go out and finance a cement industry in this province. That could easily be, I don't know. As I said a moment ago, I would like to have the opportunity to investigate it further and I hope that if the Provincial Government pushes this Bill through, that they will give further consideration, or at least give some consideration to using, say, \$5½ million cash if necessary, or a guarantee to some of the grain trades, pools or private companies, to increase the storage for grain here in the province of Saskatchewan. We probably need increased storage facilities in Saskatchewan just as badly as we need a cement industry. Quite possibly we may need it worse at this very moment, and I know full well that this Government will go out and say that we have voted against backing an industry financially that earns revenue coming into the province of Saskatchewan, but we have to do that, Mr. Speaker. That is our duty, and we are going to perform our duty.

I personally am going to support the motion that has been moved by the hon. member for Saltcoats (Mr. Loptson). He has asked the Government to give us six months to take a look at this particular matter, and I believe that the people of this province would expect us to take whatever time is necessary to investigate the possibilities and the future outlook for cement in Saskatchewan. They would expect us to question the possible expenditure of some \$5½ million, and that is the reason that I will support the motion that the hon. member for Saltcoats has moved.

Mr. R. Walker (Hanley): — As one of the back-benchers referred to by the hon. member for Saltcoats (Mr. Loptson), I cannot let the opportunity go by without saying a few words regarding this Bill. In the first place I want to say that I am not at all impressed by the wiggings and shenanigans of the Leader of the Opposition in an attempt to say that this Bill has been put through without giving him an opportunity to consider it fully. I suggest that if the Leader of the Opposition has not had an opportunity to consider this matter fully, he never will have an opportunity to consider it. I suggest that when notice was given of this motion, as it was more than a week ago, and the first and second readings and the committee stage of the Bill were handled in the ordinary course of events in this Legislature, that he cannot complain that he has not had an opportunity to consider it.

Premier Douglas: — As a matter of fact, we offered to let it go to a special committee of the House if he so wanted.

Mr. Walker: — As a matter of fact, the hon. Leader of the Opposition was given courtesies and opportunities and privileges to consider this matter far beyond that usually going with a Government measure.

Mr. McDonald: — Nonsense!

Mr. Walker: — You said, ‘Nonsense’. As a matter of fact, I submit that Your Honour would not allow the rules of the House to be violated by having this Bill proceed faster than the rules permitted. I submit that the rules of this House have been followed. I submit that the hon. Leader of the Opposition had an opportunity to have a special committee to investigate this matter if he so wished. The Premier made him that offer, and he was not astute enough, or quick enough, to take the offer, and now he is attempting to gain what little shred of political capital can be gained out of this last-minute expression of fear and trembling at the future development of our province.

Mr. Speaker, I think all of us, in deciding this question, have to have in our minds that there is a certain element of risk involved in all worthwhile undertakings. None of us expect that victory comes cheap or easy; that in this struggle for industrial development of Saskatchewan we must be prepared to take some risks. I would ask the hon. Leader of the Opposition and the hon. members opposite to show the same kind of red-blooded courage that the pioneers of Saskatchewan showed when they developed our province.

Mr. McCarthy (Cannington): — What do you know about it?

Mr. Walker: — I asked them to have a little faith, to have a little courage for the future, and to express that faith and courage in some practical and tangible way for the benefit of the people of Saskatchewan.

Of course, Mr. Speaker, there is some risk. There is always the possibility that the company may not succeed. In spite of the opinion of the member for Qu'Appelle-Wolseley, it may not be a good thing. Suppose it isn't. Suppose the company does fail. We have about \$4,950,000 of a contingent liability which we, the taxpayers of Saskatchewan, would have to meet. But there is an industry which, in accumulating that form of physical assets, will have spent something over \$8 of \$8½ million. Out of this amount surely we would be able to recover, in the event of a failure of the company, the substantial part of the \$4,950,000 that we would be risking. Surely, even if the assets of the company were worth only 50 per cent of what the company feels are their true value, we would stand to lose only a very trifling amount; something probably less than \$1 million, even if the assets were, as I say, only 50 per cent.

On the other hand, if the company succeeds, the people of Saskatchewan will earn and will receive something like \$110,000 a year of a return from the profits of the company – something like \$110,000 a year, which will not have cost the taxpayers a single five-cent piece. If the company succeeds, we will not only have that \$110,000 a year to reimburse the Government . . .

Premier Douglas: — At that rate.

Mr. Walker (Hanley): — Yes, at the rate of \$110,000 a year on a \$5 million investment. Of course it diminishes as the investment is paid off.

In addition to that, if the company succeeds, we will have broken a new front, broken new ground in Saskatchewan; and surely, in this province, where raw materials are close at hand and where a sustained market for the output of this company is assured, surely that is something that we should look forward to. I look to the day, Mr. Speaker, when, in Saskatchewan, we will have not only our great agricultural industry, but we will have other secondary industries which equal it in output. I look to the day when Saskatchewan will become an industrial community. That may be some distance hence, but it will be never if we are to be timorous and frightened of a little risk-taking. If we have faith in Saskatchewan, Saskatchewan will reward us.

When my hon. friend, the member for Saltcoats (Mr. Loptson) says that the financial interests must have had a reason for not taking on this proposition in the first place, I suggest that he perhaps put his finger right on one of the reasons why Saskatchewan has not developed industrially. Everyone knows that this company may possibly have been able to raise mortgage money for perhaps 7 per cent on its debentures. Undoubtedly that additional 1½ per cent would have placed a new risk, new burdens, upon the success of this enterprise; but the Government of Saskatchewan has credit which it can use at a payment of only 3½ per cent, compared with a payment of perhaps double that amount that private companies would have to pay. So it is a case of mutual advantage, whereby the private company can enjoy a moderate rate of interest on its investment, a total of some 5½ per cent – a very modest rate of interest – by using the credit of the province as a surety that its debts will be paid.

That, I submit, is a kind of partnership that is possible between government and enterprise. I submit that any kind of partnership that the Government enters into with private enterprise ought not only to be profitable to the taxpayers, but ought, as well, to be secured as it is possible for I to be secured. I personally, unlike the member for Saltcoats, am unable to pass

an expert opinion as to whether it is good business. The member for Saltcoats is able to say, after a few minutes consideration, that it is a bad thing. I am not able to make such rapid decisions on important financial matters. He evidently can. Undoubtedly he has grown rich out of his financial and business acumen.

Mr. Danielson: — We need another six months then.

Mr. Walker (Hanley): — I suggest that the Government of Saskatchewan has very capable financial people in its employ. I suggest that it has got adequate legal counsel, so that the interests of the province can be secured. I suggest that Saskatchewan has got something else. It has a Provincial Treasurer who has demonstrated not only to the people of this province, but to financial people all over North America, who are familiar with his reputation, that we have a Provincial Treasurer whose financial astuteness and good business sense ought not to lead us astray.

The hon. Leader of the Opposition says that this is really not a motion to 'kill' the Bill. I suggest that the Leader of the Opposition would find it very difficult to convince his friends in the country that he seriously thinks that he is going to have an opportunity to consider this Bill six months hence. In six months hence, I submit, the Leader of the Opposition may no longer be a member of this Legislature — if he gets his just desserts. But no one, certainly no one with the mentality of a child and the experiences of a juvenile, ought to be able to believe that this is really an attempt to put more time to consider the matter. Surely everyone knows that a six months hoist is, in effect, a defeat of the principle of the Bill, and all the chattering in the world won't convince, I am sure, even himself that he really means that all he wants is six months to think it over. If that is what he wants, I caution him . . .

Mr. Lopton: — I'll come back in six months.

Mr. Walker (Hanley): — I'm not so sure of that, either. If what I heard about the activities of some of the Liberals in Saltcoats is true, he certainly won't be back.

Mr. Lopton: — You won't be here, that's for sure.

Mr. Speaker: — Order! Order!

Mr. Walker (Hanley): — Mr. Speaker, this suggestion that the Bill be given a six months hoist, of course, is an attempt by the Opposition to say that they really were not opposed to this thing if it succeeds, and at the same time to gather what kudos they may if it fails.

I suggest that this kind of political double-talk ought to have no place among self-respecting parliamentarians. If the Opposition are against this Bill why don't they just vote against it on Third Reading. Why do they dress it up with the kind of legislative device so that they can pretend that they won, no matter which way it goes. I suggest that we, on this side of the House, are prepared to lay it on the line and take a chance. We, on this side of the House, have sufficient faith in Saskatchewan, sufficient confidence in

its Government and a sufficient desire to see Saskatchewan prosper and thrive that we are willing to take a chance. I hope that the Opposition will reconsider and drop their six months hoist and vote against the Bill, if that is the way they feel.

Mr. Zipchen (Redberry): — Mr. Speaker, with your permission can I ask the hon. member from Saltcoats a question? I would like to find out, if he would tell me, how many share s- or if he has any shares – in Canada Cement?

Mr. Loptson (Saltcoats): — Mr. Speaker, I have never had any shares in Canada Cement and I probably never will.

Mr. Kramer (The Battlefords): — Mr. Speaker, I would like to say a few words regarding what the hon. member for Saltcoats said (Mr. Loptson). He asked us why we support this Motion and why we were not bringing in a real Socialist motion to build this as a Crown company. I want to point out to him, and would also like to suggest that the hon. member for Hanley (Mr. Walker) gives them the benefit of the doubt when he suggested that they should have the red-blooded courage of our forefathers. I think that some of the people across there have just about one corpuscle doing overtime, when it comes to having red-blooded courage.

Mr. Speaker, I would be proud for one, to back a Bill and bring this in as a Crown enterprise, but we have learned through bitter experience that we have to face the sabotage of these people opposite and their friends. Whenever we set up something they will do anything rather than see us succeed. We've got the history . . .

Mr. Danielson (Arm River): — You've got a history of failures.

Mr. Kramer: — We've got the history of the woollen mill and the shoe factory, where they, and some of the people of the press, went out and did everything possible to discourage people from buying Saskatchewan products. They did everything they possibly could; even some of their Liberal dealer friends took and bought Saskatchewan blankets, and put them on their shelves, and deliberately soiled them, to show that they were inferior. That happened, Mr. Speaker, and I saw it happen. That's why we can't afford, when we know that we have people who will do anything to gain a political end, to take a chance on Crown enterprise today. Why, even up at North Battleford just recently a Federal Crown enterprise built a new station. You would think that they, building a new railroad station of brick, would have bought Saskatchewan brick which they could have purchased at a better figure than any type of brick, and a better brick, as well. But no, they have to go to Alberta and Manitoba to buy their brick, and import it at a greater freight rate.

That is why, Mr. Speaker, we cannot afford a public enterprise just as long as these people are ready to sabotage everything that this Government does, for their own political ends. That's why we must back people who come in from outside the province, and have the courage to try and establish an industry that is going to be for the good of all of Saskatchewan. Mr. Speaker, I want to say that I am against the amendment.

Mr. Danielson (Arm River): — Mr. Speaker, you know they are so sure that this Bill is going to pass this House, but I think they should be glad we are questioning it. As far as I am concerned, there is \$5½ million of the taxpayers' money involved; and that, on top of the \$1,100,000 which went on the woollen mill and many other things that have gone out through the window, surely they can see themselves that it runs into a lot of money.

Here is a company that bought a half-section of land over here; they have a lease on a stone quarry down in Manitoba for \$65,000, and then they are charging themselves \$476,000 — that is what is going to go into their pocket and the Government guarantees it, because that Government guarantee of \$5,500,000 is the cornerstone that supports the whole structure, and nobody can get away from that. I never thought — and I have been sitting here in this House for twenty years; but my mind, this evening, wandered back to 1944 when this group over here came into this House and after listening for a year or two before that time, every day of every session, to the programme of these people (I think they had 12 members here then) and how they were going to develop the resources of this province, I can't for the world understand how these Socialists over here can conduct themselves as they are doing here, tonight. I am sure Mr. Woodsworth would turn over in his grave, because he was a Socialist; and here his followers trying to take the poor people of the province's money — it is their money — and guarantee some capitalistic promoters a sum of \$5,500,000 so they can set up a cement plant here outside the city of Regina.

If you have \$5½ million to spend, why don't you help some of our young farmers to go into business and make a living on the farm. Have you got that? Before you can spare that money, don't throw any money to help promoters from British Columbia, Alberta and other places. That is the issue you have to face. Don't worry about us; we will go out in the country and face this issue fairly and squarely.

Mr. Kramer (The Battlefords): — It's too much of a risk as long as 'Jimmy' Gardiner is Minister of Agriculture.

Mr. Speaker: — Order!

Mr. Danielson: — And I am sure that you won't have very much glorification when you do.

Mr. Lopton: — You'll have some explaining to do.

Mr. Speaker: — Order!

Mr. Danielson: — The Premier was pleading, with a kind of a cry in his voice, and then he tries a kind of a jubilant mood before he sits down; but after all, he could not get away from this fact that this Government is taking \$5½ million and giving it to the promoters.

Premier Douglas: — How simple can you get?

Mr. Danielson: — Well, that's all right. Just a moment here, that is part of the public debt of this province. When you go and ask for bids on government bonds that is against it, as part of the public debt. I was in favour

of guaranteeing the bonds for the Co-op refinery because that was helping the people of the province of Saskatchewan; but not so here. Here is a group of promoters – only one of them I think belongs to the province of Saskatchewan. They are coming in here. Why, in the name of common sense, Mr. Speaker, if this is such a good profitable business, wonderful profit, why didn't the bank loan the \$5½ million and take the 5½ per cent interest. But oh, no! The bank wouldn't do that; they don't gamble on a thing like that. They said, "Oh, no. We'll give it to you at 3½ per cent, and you take the risk; you guarantee it." And that is a sure thing for them. There is no risk for them. These members opposite should think this thing over very carefully.

We had a lot of things started here and they haven't had very good success; as a matter of fact, many of them have died, absolutely died, before very many months have passed.

As far as cement is concerned, everybody that knows anything knows that there has been a shortage in the last 12 or 14 months – not a very serious shortage, but still a shortage. But, today you can go to these people who manufacture cement, and there is no fear of a cement shortage from now on, because this Canada Cement, for instance, has expanded, and is still expanding, and there will be no shortage of cement.

Premier Douglas: — How much cement is in demand right now, in the winter months, when there is no construction.

Mr. Danielson: — Oh well, don't talk . . .

Some Govt. Member: — Don't give him facts, you will only confuse him.

Mr. Danielson: — There is going to be some building going on but the contractors have been assured of their required amount of cement, and all indications are that the cement shortage has now passed.

Premier Douglas: — When did you get that assurance?

Mr. Danielson: — What?

Premier Douglas: — After this plant was announced?

Mr. Danielson: — I have made that statement, Mr. Speaker, on my responsibility, and my responsibility is just as good as the Premier's.

Premier Douglas: — Your opinion . . .

Mr. Danielson: — But anyhow, let them go ahead, and we are not going to help you; because we are going to vote against this thing and we are going to stand up and be counted before this thing is over. You don't need to worry about us standing up to be counted, and we will be glad to, Mr. Speaker. But I don't think he will have such a great liking to stand up and be counted, because he wouldn't have got up and pleaded in the tone of voice which he used.

That is all I have to say, and don't worry, we will all be here after the election.

Mr. Berezowsky (Cumberland): — Mr. Speaker, after hearing the hon. member who spoke last (Mr. Danielson), I cannot help but think that after all, when they object to this Bill, they are objecting to something that their government is doing. For example, under the Farm Improvement Loans in Canada, the Dominion Government turns around and guarantees loans to the banks to be sure that they don't lose any money. And that is also tax money of the people of Canada.

Now, the reason I want to support this Bill is this. I recognize, as my colleagues here mentioned a while back, that our people heard all this propaganda against Socialism and so are not too ready to support public enterprise, though it may be in the best interests of the people of Saskatchewan and Canada. Be that as it may, we in the C.C.F. are going to have industry in Saskatchewan. If we can't get it one way we are going to get it another way, and, as the Premier has pointed out, there is a place here in Saskatchewan for individual enterprise, there's a place here for public enterprise and co-operative enterprise. Now, if for one reason or another, we cannot proceed with this particular project ourselves as a public enterprise, then certainly there should be nothing wrong in encouraging individual enterprise, or private enterprise as my friends across the way always call it, to come in and bring industry into Saskatchewan.

They are doing it in other countries of the world. They are doing it in the Scandinavian countries; as a matter of fact, they go a step or two further and go into it as a partnership. I hope to see the time they will be able to do that here. Of course, when we listen to the members opposite, I expect that this whole idea of trying to postpone the reading of this Bill is the motive behind it, and I can't help but think that probably this motive is explained in some of the statements that have been made in the past. For example, I have from the Prince Albert 'Herald' July 27, 1955, when the hon. Leader of the Opposition was speaking in Prince Albert, and they were discussing at that time the Saskatchewan dam. I think it is pertinent to this resolution because, although he mentions northern development, here is the quote:

“A northern development”, the Liberal leader said, “was closely linked with the propose construction of the South Saskatchewan River dam, but until such time as the north is developed, there is no need for this project.”

In other words, he could have just as easily said as long as there is no industry in Saskatchewan, we do not need a dam.

Now the question, Mr. Speaker, is this: which comes first, the egg or the hen? That is what it amounts to. Which first? Now, if the Opposition says we cannot have a dam until we have industry, well for goodness sake let's go ahead and have industry and then we might be able to build a dam! And no doubt an industry such as this in Regina would require considerable power.

I would just like to point out that the hon. members opposite, after all, must have faith in the province, and they must be consistent in their thinking. If they are against the Bill and are against having industry in Saskatchewan, then they should vote against the Bill and let the people know where they stand; but just to play a little game of politics on every occasion just won't go over in this province. I am certainly going to support the motion.

Mr. McCarthy (Cannington): — Mr. Speaker, I am only going to take a minute or two. There are one or two things that have come up here that I would just like to mention. One of them is that quite a few of our young friends over there, telling us that we should enter into the spirit of the pioneers. I'm glad they take that view, but I have been wondering how much they know about it, and all the rest of it.

A comparison was made between the Co-ops and this company. This is altogether a different proposition.

There is another thing. I have mentioned it before and I will mention it again and it is the 5½ per cent interest on that amount of money is quite a load for that company to carry. If it were fundamentally sound, I think they could afford that money at 5½ per cent or less, but the fact that they have to go this high is a fair indication that there is a large element of risk in it. The interest goes up as your risk increases, of course.

Now, as far as cement in Saskatchewan is concerned, this plant is supposed to produce 850,000 barrels a year, I believe. When you consider that one company has increased their capacity to 24 million barrels a year, there isn't much comparison. The thought strikes me: what would happen if some of these big companies decide to run a price war on this product? They have done it before, and they could quite easily do it again. There isn't a large profit in per unit barrel in the production of cement. The profit is fairly close, but the fact that they produce in such large quantities allows them to keep going. One thing we should think of, and think of seriously, is just what would happen to this little plant if these larger companies than can produce 24 million barrels of cement a year against this 850,000 barrel plant – just what would happen? Now, if the people who were doing it, putting their own money into it, and want to take that chance, that's quite all right, but I have some difficulty in convincing myself that the Government should go into this thing, and despite what my young friends over there say, I am as interested in Saskatchewan as anyone ever was or ever will be, and when I make that statement I make it, not for political reasons, but because I honestly believe it.

There is that possibility. I've seen it happen before; you've all seen it happen before, and I think perhaps one thing that should be well considered is just what would happen if these larger companies decide to run a price war? After all, this is a small company compared with the other facilities we have for producing cement.

There is just one other point I wanted to bring out that has been bothering me. The Provincial Treasurer, I couldn't quite follow him, but he was going to move these tokens or whatever they are around, and when we asked him why he was doing that, he said it was for protection from income tax. Well now that was rather a wonderful statement for him to make, in my opinion. After all, the C.C.F., ever since I have known them, have been strong for income tax, strong to 'soak the rich', soak the financiers, and yet he is helping them (they're no doubt financiers – they no doubt must have some money; if they haven't got money they shouldn't be in this \$8½ million deal), and yet he's jiggling the deal around to protect the financiers. Well, now, talk about inconsistency. I haven't seen anybody since I have been in the House do anything as inconsistent in my opinion, as that, for the Provincial Treasurer literally

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to pass a Bill through, with the avowed intention (he said that was the intention) of moving these figures around, (I don't know just how he's going to do it, but I think he's pretty good at it) to protect these financiers from paying some income tax to the Dominion Government. That is the worst inconsistency I have ever seen.

Hon. C.M. Fines (Provincial Treasurer): — Mr. Speaker, I find it most difficult to try to reply to the statements made tonight. The hon. member from Saltcoats (Mr. Loptson), started out tonight, clearly showing that he hasn't any idea whatsoever of the purpose of the Bill before the House. He started right out, this evening, with his first statement that this Bill provides for advancing \$5½ million for a cement plant. The Bill does no such thing. I emphasize that, because not only has he, but several of the other members on the opposition side have, stated that this Bill provides for advancing \$5½ million for a cement plant.

Mr. Loptson (Saltcoats): — Oh, what is it for?

Hon. Mr. Fines: — We are not providing a single five-cent piece. We are guaranteeing the \$5½ million, but we are not supplying anything.

Mr. Loptson (Saltcoats): — That's a new one.

Hon. Mr. Fines: — Mr. Speaker, we are not supplying any of the money. The question has been raised about why all the rush. May I say that the members of the Opposition have been shown more courtesy and more opportunities for asking questions in this connection than on any occasion that I know of since I entered this House almost 12 years ago. We introduced the Bill on the very first day that the House opened, or I should say the very first day after the official opening — that is, on the Friday, the 10th. Notice of motion was given. Unfortunately, the Bill had to be redrafted for reasons which I explained on second reading. We were, therefore, unable to proceed with the first reading of the Bill until the following Wednesday. The second reading was a week ago today. At that time I asked that the Bill be got into committee, and that when we were in committee that we would be prepared to have representatives here, to have the legal people, to have the financial people, to have representatives of the company and representatives of the bank, and anybody we liked to have. The Premier even offered to have this referred to a special committee. That's the place to ask questions.

Premier Douglas: — They might have got answers, though!

Hon. Mr. Fines: — Yes, they didn't want answers. We offered to go over every clause in the agreement, and make it perfectly clear to them, and to the people of Saskatchewan just what was in this Bill. Instead, what did they do? When we got into the Committee of the Whole, the hon. member from Saltcoats asked two or three silly questions, and walked out the door, and left the Bill to go through the Committee of the Whole.

Now he says he's going to give it six months study, first. Purely political; not trying to get answers to questions! If he had been anxious to get answers to questions, he would have taken advantage of the Premier's offer to have had this go to a special committee, or to have dealt with it in Committee of the Whole when I offered to bring here into this House to answer questions any officials they desired to question.

Mr. Loptson: — I didn't need any questions; I had the Bill.

Mr. Speaker: — Order!

Hon. Mr. Fines: — Now, Mr. Speaker, another question is brought up by the hon. Leader of the Opposition (Mr. McDonald) when he says they didn't even have a prospectus. That is not true. On the contrary. The member for Saltcoats asked for information, and I sent over that same afternoon, the three documents which I have; the one from the bank, the report of the Stevenson-Kellogg people, and the volume here which has been prepared by the company. That same afternoon, I slipped out and phoned to one of the brokerage companies to find out if they had a copy of the prospectus. I brought that up to the Chamber on Tuesday afternoon, and sent it over to the Leader of the Opposition. The member for Saltcoats has had 24 hours (provided the Leader of the Opposition handed it to him) before the Committee as a Whole . . .

Mr. McDonald (Leader of the Opposition): — Mr. Speaker, on a point of privilege. The prospectus was never sent to my desk by the Provincial Treasurer, but the prospectus was apparently sent to the hon. member from Saltcoats.

Hon. Mr. Fines: — I am sorry, probably that's right. I believe it did go right to the member for Saltcoats on the Tuesday; in other words, he then had 24 hours. Now obviously, he did not read these other volumes, or the extracts from them or the summaries of them, or he would not have made many of the statements which he made here tonight.

First of all he pointed out that these men were quite capable financially to build the plant themselves. Mr. Speaker, I grant you, these are all very reputable men; men of substance, men of considerable backing. Nevertheless these are men who have a great many interests on this continent, and a great many interests in western Canada. These are men who are tied up with many industries. They cannot afford to put all their eggs in one basket.

Mr. Loptson: — He's letter the cat out of the basket!

Hon. Mr. Fines: — they thought they were doing very well when they put up as much as they did, and may I say, Mr. Speaker, that these men were responsible for putting up \$1 million, for which they got a million shares. Now my hon. friend says that they are going to make a great deal out of their promotional efforts; that they are getting close to half a million dollars for something that isn't worth more than \$47,000.

Well, Mr. Speaker, surely the hon. member would not want to leave the impression with the members of the House that is all these promoters have spent. They have been working on this thing for the past year or so. They have hired engineers, they have hired lawyers, they have hired drilling men on their claims to test their property to see what they have got. They have spent a great deal of money. Now, I grant you they are going to . . .

Mr. Loptson: — On a point of order, Mr. Speaker, they got paid for all that trouble besides. They would charge in their bill for it all.

Hon. Mr. Fines: — Mr. Speaker, they would not get anything for that. The total amount which they paid would be taken up in the expense that I have mentioned; additional expense involved in connection with proving up the property, and so on.

Now, the member for Saltcoats made the claim that the statements which I made were at variance with the facts as set out in the prospectus. I must disagree, Mr. Speaker. There are certain things which are contained in the trust deed which go much farther than the prospectus. We must remember that the prospectus was drafted back in November. The trust deed has just been completed within the past two or three weeks. Naturally, not only in the trust deed but in the other documents, we have tried to tie up everything just as closely as we possibly can, and these, Mr. Speaker, are just a few of the different things that we have had to prepare for this purpose.

Here are some of the different documents we have had to prepare over and above the prospectus. First of all, there is the personal guarantee agreement. This is an agreement under which each member of the syndicate personally guarantees the interest and the principal to the first maturity of the bond. Secondly, a loan agreement—which is an agreement between the company, the members of the syndicate and the Government, which outlines the entire understanding existing between the parties. Thirdly, a spur agreement. This is an agreement between the company and the members of the syndicate whereby the syndicate members undertake to provide the railway spurs at Mafeking.

Mr. Loptson: — It's all in the prospectus.

Mr. Speaker: — Order!

Hon. Mr. Fines: — Fourthly, there is the escrow agreement, which is the agreement between the syndicate members and the Government, whereby certain of the shares are placed under certain restrictions required by the Government. My hon. friend pointed out that there were 476,000. That is correct. That is the total number of shares that are placed under escrow; first of all placed under escrow, left with the members of the syndicate in Calgary, and then at the expiry of 18 months, those shares are then transferred either to the Government or to a trust company to be designated by us, and cannot be touched until one year from that date, after which, upon payment of the 10 per cent of the guaranteed amount, we will then release 20 per cent of the shares. In other words, after five years we will release the entire number of shares upon payment of 50 per cent of the money back. Then the shares will be free for them to dispose of.

Then we have a construction contract which we have had to check fairly carefully. This is an agreement between the company, the Turnbull Company, and the Marwell Manitoba Limited, covering the construction of the plant. Then again there is the trust deed. This is the agreement between the Bank of Montreal, or I should say, between the Royal Trust Company, which is a subsidiary of the Bank of Montreal, and the company. This sets out the terms and conditions of the first mortgage serial bonds. That's seven documents.

Then we have guarantor's agreement. This is a document by which protection for the Government is provided in respect to its purchase of the bonds. It is necessary to separate this from the trust deed to meet the income tax requirement of the bank. May I say here, Mr. Speaker, in reply to the hon. member, this Government has no intention of helping anybody to evade their just income tax requirements. May I say, too, that the income tax people agreed that they would give to the company a letter which stated that it would not be responsible for income tax on the guarantee fee, but they said, "Our rulings cannot be binding on us, as somebody higher up might criticize them and feel that you should have to pay income tax on it."

Premier Douglas: — . . . it's on the bank.

Hon. Mr. Fines: — Actually both the company and the bank. If we paid 5½ per cent interest to the bank, and then they paid us back 2 per cent, then they were afraid they would not be able to charge as expense the 2 per cent which they paid back to us. And the same was true with the company. If they paid 3½ per cent interest to the bank and paid us a 2 per cent guarantee fee, the company was not sure that they could get the 2 per cent deducted by the income tax authorities. So both of them were in doubt as to their status with the income tax people. This was done merely to clear t up. Of course there was expenditure. There's no question about that. The income tax authorities agree, but they say that we cannot guarantee that the income authorities a year from now will agree. I don't know if they are expecting a change in Government down there, with different rulings to be given, or what . . .

Mr. McCarthy: — That's exactly what I said – you're juggling it around.

Hon. Mr. Fines: — Now then, Mr. Speaker, may I say that there is nothing that is at variance between the trust deed and the prospectus, but there are a great many more protections for the Government set up in the trust deed and in these other documents, which I have mentioned.

I think I have dealt with that other point about all the rush, out of which the hon. Leader of the Opposition made a great deal, and it was suggested that the Opposition didn't really know if they were opposed to this or not. Now, of course, the member for Saltcoats is definitely opposed to it, as is the hon. member from Arm River (Mr. Danielson), but the Leader of the Opposition isn't sue that he is against it. He would like six months to study it; but he knows, as every hon. member in this House knows or should know, that when you move that a Bill not be read a third time but be read six months hence, that is an effective way of 'killing' a Bill, because we are not going to be here six months from now.

Mr. McDonald: — You won't be.

Hon. Mr. Fines: — I would vouch for this, Mr. Speaker, that my chances are much better than my hon. friend's opposite. However, we're both in the hands of our respective constituents, so let's not try to settle that now; wait until the time comes. Bu I would like to point out that we have been working on this project now for almost a year – at least the Industrial Development office have been trying to get the company interested for almost a year. The people of the Treasury Department and the Legal Department have been working on it now for six months. We expect within six months to have cement coming out of the plant. The machinery has been ordered. A payment of \$700,000, for example, was payable on the 10th of this month. We had to make commitments. Any Government has to make commitments, and then come to the Legislature and present a case which will merit support of the members of the Legislature, or else face the alternative of resignation. We took that chance, Mr. Speaker.

I want to say to members on both sides of the House that I think we have taken every precaution that is humanly possible for a Government to take. We have given our word that on the 1st day of March these bonds can be dated, and that we are prepared to make the necessary exchange transaction which I outlined last week, which will make it possible for the company to be able to draw on the bank as it requires money from time to time.

Mr. Loptson: — The \$5½ million.

Hon. Mr. Fines: — Now, I mention this because, in the 'Star-Phoenix' the other day, they said we were trying to push this thing through as quickly as possible, and then we refused the Liberal's reasonable proposal to continue the debate, and have the prospectus and other relative material produced. That statement is not true.

Mr. Loptson: — Sure it is.

Premier Douglas: — You've got every document we have.

Mr. Loptson: — We've only got the one; that's all you had.

Hon. Mr. Fines: — Mr. Speaker, on the very first day we were able to give notice of the Bill, we did so.

Mr. Loptson: — You only had on prospectus.

Hon. Mr. Fines: — My hon. friend got it; he got the only one we had. May I say when I phoned the investment dealers, they had two prospectuses left. They were good enough to give me one of the two, and that one I gave to my hon. friend.

Mr. Loptson: — That's right. I knew what was in it, but the rest of the boys didn't have it.

Hon. Mr. Fines: — I'd like to say also that my hon. friend had quite a good time in going down to visit the investment dealers, the next day, to try and find out just why they . . .

Mr. Loptson: — And I found out plenty.

Hon. Mr. Fines: — Now, Mr. Speaker, the statement of the Canada Cement Company, I would think must be taken at its face value. Naturally, the Canada Cement Company is not going to give the impression that there is any shortage of cement. They are trying their best, and have tried for years, to create a monopoly in the cement business. They have had one of the greatest and tightest monopolies that there is in Canada, but that monopoly was broken, last year, to a certain extent when a group of Belgian people came over and put up the Inland Cement Company in the city of Edmonton. And incidentally, Mr. Speaker, that's an 800,000 barrel plant that was constructed at a cost of \$7 million, or \$8.75 per barrel of annual production – not \$5, but \$8.75.

I can tell my hon. friends something else too, that the 1½ million barrel plant which was recently constructed in Quebec cost approximately \$13 million, or \$8.60 per barrel.

Mr. Loptson: — There's something wrong there.

Hon. Mr. Fines: — And I'll give him some more information that he probably doesn't know. There was a 1½ million barrel per year cement plant recently completed near Winnipeg at a cost of \$12 million, or \$8 per barrel.

Mr. Danielson: — Tell me another.

Hon. Mr. Fines: — This one, an 850,000 barrel plant is going to be built at a cost of about \$6½ million, plus the working capital which will bring it up to \$7½ million – at a cost of approximately \$7.65 per barrel.

Mr. Loptson: — I thought you said \$8½ million. That's what the Premier said.

Hon. Mr. Fines: — Mr. Speaker, the actual plant itself will cost, with the working capital, \$7½ million.

Mr. Loptson: — the Premier said \$8½ million.

Premier Douglas: — I said, with the other assets.

Hon. Mr. Fines: — With the other assets, with the spur line, that is quite right.

Premier Douglas: — Mr. Speaker, the hon. member is sitting here questioning my word. If he is too stupid to follow an argument, at least he ought to keep quiet. I made clear to this House that I was talking about the total assets which we have for security against this \$4,950,000. I object to the hon. gentleman doing, as he always does, questioning other people's word just because he's too thick in the head to understand what has been said.

Mr. Loptson: — If I was as thick in the head as the Premier, I'd go bury myself.

Mr. Speaker: — Order! Order!

Mr. Loptson: — But I want an explanation of how you make out that \$8½ million?

Hon. Mr. Bentley (Minister of Public Health): — You've got it.

Mr. Loptson: — I asked him, but he never explained it. He says \$7½ million.

Hon. Mr. Fines: — The plant itself is going to cost, together with working capital, roughly \$7½ million; but in addition there is in Manitoba a spur line which is being built by these people at a cost of roughly \$600,000. That brings it up to \$8,100,000.

Mr. McDonald: — May I ask a question here, Mr. Provincial Treasurer How much did you say the spur line was costing?

Hon. Mr. Fines: — the original estimate was around \$354,000 but they have since brought it up to \$600,000. May I say they are still hoping they are going to get the Canadian National Railway to build it, but to this very day they still don't know.

Mr. Loptson: — Maybe it won't cost them anything then.

Mr. Kramer: — Mr. Speaker, if they don't have to and if the railway company will do it, then, of course, what they will do is charge an extra 25 cents per ton freight. They will save it in the long run. It is going to be the same thing.

Mr. Carr (Rosthern): — May I ask a question, Mr. Speaker. Is the Saskatchewan Cement Company building the spur line, or is it another group?

Hon. Mr. Fines: — No, it is certain of the directors that are building it, not the company itself; but they have agreed to turn it over. That is part of the agreement that we have with them; if anything goes wrong, we have a mortgage on it, they turn it over to us and it becomes our property.

Mr. Carr: — Could I ask just one more question, please? You have a definite commitment from them that they will definitely build their spur line out of their own resources, apart from anything they have in Saskatchewan commitments? You have that agreement?

Hon. Mr. Fines: — That's right, we have that agreement. They will do that. Now, Mr. Speaker, I want to deal with this question of share in escrow. You remember that certain of these shares were placed in escrow. I made an error the other day when I pointed out it was for two years; however I got my transcript back, and realized that was wrong and did take the liberty of changing it to 18 months to get it right on the record. We have another agreement with the company under which they are prepared to turn those shares over to us at the end of that 18 months, and they will be prepared to leave them with us with this one exception: If at anytime, they require those shares; if one of them should die, for example, and his estate needs it to pay succession duties, or something of that sort, then they may apply to the Provincial Government.

We would have the right to release those shares. But we felt that these men who have the capital investment, do have an interest. We want to make sure that there is a continuing management of this company, a continuing ownership of it; and that is the reason we insisted that they keep those shares for another five years. We have agreed that as they pay off, each year, 10 per cent of the amount, that is, \$550,000, then we will allow them to release 20 per cent of their shares.

Mr. Loptson: — Mr. Speaker, may I ask a question? Why didn't you distribute a copy of these agreements?

Hon. Mr. Fines: — I did distribute a copy of these, but you never even looked at them.

Mr. Loptson: — We never saw them.

Hon. Mr. Fines: — You had all of these volumes.

Mr. Loptson: — No, sir, we only had a copy of the prospectus.

Hon. Mr. Fines: — Oh, you didn't. Well, I'm sorry. I gave them to the Leader of the Opposition, and just naturally assumed that you would, being the expert on financial problems of this type, be given them to study.

Mr. Loptson: — You didn't give it to anybody to study.

Mr. Speaker: — Order! Order!

Hon. Mr. Fines: — Now, Mr. Speaker, there are two or three of the hon. members opposite that made the statement that financial houses have turned this down. My hon. friend from Saltcoats says this is because the proposition wasn't sound, and then in the next breath he turns around and says that these men are going to make millions of dollars out of it.

Mr. Loptson: — I think you'll have a white elephant.

Hon. Mr. Fines: — Well, why not make up your mind whether it is a sound proposition, or whether it isn't.

Mr. Loptson: — Mr. Speaker, on a point of order, my hon. friend knows that they can make \$1½ million before they produce one bag of cement out of that proposition.

Hon. Mr. Fines: — No, Mr. Speaker, they can't do any such a thing. First of all, these men are personally liable for the money they have put up for the spur line; I don't know what it will cost, probably \$400,000 or \$500,000 — they would lose it. Secondly, they are responsible for the first payment, \$550,000 plus the interest. They are responsible for that. And then, they actually have in cash \$1 million. Now, it is true that they have got back some of that for the properties my hon. friend mentioned, and I have no doubt that there is a certain amount which they have made for promotion, and my hon. friend probably knows more about making money on promotion than anybody else in this room.

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Mr. Loptson: — That's why they are in it.

Hon. Mr. Fines: — And I think he will agree that this is about the percentage that he generally gets from companies he floats.

So that actually, first of all they have the 480,000 shares that cannot be sold; secondly, they have this \$500,000 for the spur line, and thirdly, a \$550,000 guarantee for the first payment.

Now, I would just like to point out to my hon. friends opposite that one of the very few Liberal Governments left in Canada, only last spring, did a little deal something like this. It was for the development of one of the great iron properties in eastern Canada. I refer to the Government of Newfoundland. They guaranteed the bonds to the full extent of \$16½ million for this railway to develop their iron.

Mr. Loptson: — Yes, but the promoters put their money in there, and didn't take it out before it started to operate.

Hon. Mr. Fines: — The promoters did not put proportionately as much in as they have done in this case.

Mr. Danielson: — They put in about \$36 million.

Hon. Mr. Fines: — Oh, rubbish!

Mr. Danielson: — All right, you can talk all you like about it.

Hon. Mr. Fines: — Now, I would like to tell my hon. friends that the first of these deals which was made was made with a firm in Swift Current: a bank loan we guaranteed for the Co-operative horse processing plant. I listened yesterday afternoon, to Mr. Grant McEwen on that radio programme he gives on Sunday, telling about the history of that. He told about how this group of men had this vision back in 1943, and of how they tried to get capital together, and then finally in November, 1944, they, through the benevolence of the Provincial Government, by agreeing to guarantee their bank loan, were able to get the necessary capital to start up the Co-operative horse processing plant. He was telling about how it had recently had an official wind-up. Well, we do assist the small firms. We do not, however, advance money to printing companies, or to proprietors, or to stores. In other words, we do not advance money to industries that are already established in the province. I think it would be most unfair if we were to advance money to one of the competitors of the company. The same would be true in any city, Weyburn, or any other place where they have two papers. If we would make a loan to assist one of the papers, I think it would be obviously unfair; so we have not done that.

In connection with the Federated Co-ops — a great deal has been mentioned about that. May I say, Mr. Speaker, that the Federated Co-ops borrowed money, issued 10-year bonds, 5 per cent bonds, but in spite of the fact that they have been a real success as a business organization, and in

spite of the fact that they have been carrying on for 20 years in this province, they were unable to go out to any of the financial houses to underwrite them.

Mr. Danielson: — May I ask the hon. gentleman a question, Mr. Speaker? Would you tell us how much money the Federated Co-ops spent in promotion?

Hon. Mr. Fines: — Well, Mr. Speaker, I could tell my hon. friend that they did not have to spend very much on promotion because the Provincial Government was prepared to guarantee \$3 million to the bank; they were able to get that money not at 5 per cent, but I believe at just under 4 per cent.

Mr. Danielson: — A good, going concern!

Hon. Mr. Fines: — A going concern, absolutely. And yet we had to guarantee it; the banks would not lend without our guarantee. May I say we gave the guarantee, and we gave it gladly, and we are not getting a five-cent piece. In this case we are collecting a fee of 2 per cent. We will collect from this company a total of . . .

Mr. Lopton: — Don't count your chickens before they are hatched. You may never get it.

Hon. Mr. Fines: — We will collect well over \$600,000 during the 10-year period, yet we are not going to be collecting anything from the Co-op.

Mr. Danielson: — Why should you?

Hon. Mr. Fines: — Why should we want to collect anything from them?

Mr. Danielson: — They're paying their own way.

Hon. Mr. Fines: — We have decided on the policy that we are not going to charge the Co-operatives anything, yet we are with this group who will, undoubtedly by making a great deal of money out of this plant. I have no doubt that the men who have had faith in this province and have been willing to risk their own money in this enterprise will, ultimately, be well repaid. I have no doubt that this will be a flourishing industry.

I say that, Mr. Speaker, because all the studies we have been able to make indicate that there is a need for this industry in Saskatchewan. First of all, this year it is estimated we will use close to 1½ million barrels of cement. Our annual usage, in 1954, was 1,300,000; last year, it is expected we used about the same — the actual figures will probably be close to 1,400,000; but next year it is anticipated we will use 1,500,000. This plant will only put out 850,000 barrels, yet we have places like Regina, for example, where they consumed approximately 300,000 barrels a year; Saskatoon, 200,000, so there is 500,000 there altogether; Moose Jaw, 115,000; so there is 615,000 barrels. If this plant operates at 80 per cent capacity it can make money — even at 80 per cent capacity. That means it does not have to sell 850,000 barrels, but only 680,000 barrels.

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Mr. Loptson: — Do you know how much they make a barrel on that stuff?

Hon. Mr. Fines: — I can tell you, Mr. Speaker . . .

Mr. Loptson: — Canada Cement makes 40 cents.

Hon. Mr. Fines: — I can tell you what they will make. I will put it this way. I can tell you the competitive advantage there is in having a plant here in Regina, compared with the other plants. Right in Regina, they will have an advantage of \$1.32 a barrel; there are four bags to a barrel, so you can figure that out. That is 28 cents a bag advantage in Regina over the plant at either Exshaw or Winnipeg.

Mr. Loptson: — The freight is equal, on cement.

Hon. Mr. Fines: — That is the advantage because of the lower freight. In Saskatoon, the advantage is not so great because it is closer to Edmonton, but the advantage is 27 cents a barrel, or, roughly, about 7 cents a bag — that is the advantage in Saskatoon.

When we get over to Weyburn, there the advantage is about 60 cents a barrel; Moose Jaw, the advantage over Exshaw, Alberta, is 93 cents a barrel; and so I could go on referring to different points in the province. As I pointed out the other day, when we get out to places like Kindersley, or North Battleford, or down to Virden on the other side, then the other plants have the advantages over us; but I think you will realize, from what I have said, that there is sufficient area here to use up the 850,000 barrels that this plant can produce annually. According to all the statistics that have been prepared, and from the best studies that we have been able to make on it, the plant would stand a real chance of success even if it only operated a 75 to 80 per cent.

Now, Mr. Speaker, there is a great deal more I could say but I think I have said enough to indicate that it is certainly a very sound proposition.

Mr. Loptson: — You didn't need to say that much.

Hon. Mr. Fines: — We are going to continue to study it. The company has offered to allow us to appoint a director. We will appoint a director of the company to look after our interests at all times, and I feel confident that if this organization gets the support that it should from the people of this province, it will be one of the great flourishing industries of Saskatchewan, and will bring other industries to follow it.

The question being put on the proposed amendment, (Mr. Loptson), it was negatives by 33 to 9.

Mr. Danielson: — Mr. Speaker, you didn't call for a vote on the amendment; you called for a vote on the motion.

Mr. Speaker: — I did not. I called for the vote on the motion that was before the House.

Mr. Danielson: — The amendment was before the House.

Mr. Speaker: — It was on the amendment — which is a motion.

Mr. Loftson: — I don't think it makes much difference; the results are the same.

The question being put on the main motion that Bill No. 11 be now read the third time, it was agreed to by 33 votes against 9.

The Assembly then adjourned at 10:00 o'clock p.m.