

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session – Twelfth Legislature
20th Day

Wednesday, March 7, 1956

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

On the Orders of the Day:

Budget Debate

The House resumed from Monday, March, 5, 1956, the adjourned debate on the proposed motion of the Hon. Mr. Fines (Provincial Treasurer): That Mr. Speaker, do now leave the chair. (The Assembly to go into Committee of Supply).

Mr. A. C. Cameron (Maple Creek): - Mr. Speaker, I think now I have observed the Provincial Treasurer bring down eight of his 12 budgets. I do not think I have witnessed the budget brought down as it was Monday in any finer manner than which the Provincial Treasurer delivered his address that day. I did notice, however, that the budget was brought down in a rather sombre and quiet atmosphere. There didn't seem to be the air of expectancy that usually is generated when the Provincial Treasurer is bringing down his budget. I think people felt comparatively safe that, since this being an election year, there would be no further increases in taxes. Knowing the record of the Government, they were quite sure of the fact that there would be no reduction in taxes. So the atmosphere was accordingly sombre.

The budget has, of course, as has every financial statement, a debit side and a credit side, and I think the Provincial Treasurer dwelt to a great extent on the credit side of the ledger, and I think it is only right and fitting that we should look at both sides in order to try and arrive at the conditions in the economic outlook in the province, as it is. I thought his whole theme of the budget was a plea on behalf of the Government for the people not to look at us as we are, in comparison with others, but rather to judge us by what advance we have made since the '30', and to judge Saskatchewan in the '50's as to what she was in the '30's. All through the budget there seemed to be that trend.

I think the budget was written with a careful hand with one design, and that was that it could readily become a speaker's handbook for the coming election, because if it ever portrayed the record of the Government in a most favourable light, that budget did the other day. I think my colleague from Arm River (Mr. Danielson) summed up the budget rather briefly when I asked him, after leaving the Chamber, what he thought of it. He said in his opinion it was a 'call of distress'. I could never have put it that well myself. I think now we have two political documents, because I do not think I have ever seen so much politics discussed and fought on the floor of the House in a budget as was done Monday in the last budget brought down here. I think we now have two political documents – the Regina Manifesto, and the 1956 budget!

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However, turning to the economic review of the province, I think it is most encouraging to note that agriculture has been surging ahead since the bad crop year of 1954. If we look at the expenditures on consumer goods and services we find it is a fairly accurate barometer of the economic outlook. And if we compare 1953 to 1954, I think we get a fair indication of the effect of the bad crop of that year. The spending for consumer goods and services across Canada dropped 1.4 per cent. In Manitoba, this spending dropped 2.4 per cent from the 1953 level. In Alberta it dropped 5.6 per cent, but in Saskatchewan the drop of these services was 10.6 per cent. Now, the drop of 10.6 per cent in Saskatchewan over $\frac{1}{4}$ in Canada as a whole; 2.4 in Manitoba and 5.6 in Alberta, surely would indicate that Saskatchewan's economy, to the greatest extent, is vulnerable to the whims of nature. It indicates, too, that Saskatchewan has not strengthened her economy to absorb these shocks of agriculture to anywhere near the extent that either Alberta or Manitoba has done.

The upward surge in farm cash income in 1955 over 1954 was reflected in the upward trend in spending of consumer goods and services over 1954. It would appear now that the prospects for delivery and sale of an average crop for the year 1955 is most encouraging, and since Saskatchewan produces 65 per cent of the wheat, Ottawa's decision to pay the storage on this wheat will go a great distance to bring in additional revenue to the farmers of Saskatchewan. I think that the tight cash position of the farmers during the fall, and leading on into the winter, was a condition that led to a great deal of political capital being made of it. I think it succeeded as a never before in focusing the attention of the people on alternative agricultural policy to what is in force at the present time. I think it rather fortunate that we have, at this time, some of the reports of the Royal Commission which was established some four years ago and put to work to review the economic conditions of the province, and to plan and to bring in reports that, in the words of the Premier at that time "might be a pattern to guide the progress of Saskatchewan for perhaps the next quarter-century".

I say it is rather fortunate at this time, that while we have these depressed agricultural conditions, we have the Commission's report, to compare its findings with that being advocated by political parties in the province, because you get a non-political viewpoint on suggestions for agriculture in the province.

I want, for a moment, to compare the policies as advocated by political parties and contrast those policies with those of the Royal Commission and what they suggest is most in the interest in agricultural in the province. What struck me was the extent to which this contrast was shown between the policies as advocated by the Government, and the suggestions as made by the Royal Commission. I want to go through them briefly. The C.C.F. advocated cash advances on farm-stored grain on a permanent basis, as a permanent feature of the grain marketing system, and these cash advances should be paid through the Wheat Board. The Royal Commission took this stand – against cash advances as a permanent feature of the grain marketing system, and cash advances as a permanent feature of the grain marketing system, and recommended bank loans as a permanent feature of the grain marketing system.

Mr. Walker (Gravelbourg): - That is not right.

Mr. Cameron: - The C.C.F. have claimed that we have lost our export markets for

wheat. The Royal Commission says the review of Canada's export sales since 1953 revealed little indication that Canada is losing markets because of American export policy. The exporters – the United Kingdom and Europe, traditional Canadian customers, increased in 1954-55 over 153-54. The C.C.F. advocated that a two-price system for wheat should be adopted and that a higher price should be placed on wheat that is used for home consumption, over that which is going on to the world market. The Royal Commission does not recommend a two-price system, because it takes the stand that there isn't sufficient grain consumed on the domestic market to warrant going into it, because the cost of administration would eat up most of the gains that would be made. So they recommend against the two-price system. The C.C.F. Party advocates prices pegged for the sale of farm produce at 100 per cent parity. It advocates a forward pricing system, based on the anticipated advance. And then to this it adds that we should have a floor price that will guarantee 100 per cent of parity on the cost of the production to the farmer, in order that he will be guaranteed at least a return that will meet his expenses and keep him from going bankrupt.

They differ there. The Minister of Agriculture (Hon. Mr. Nollet) has always stated, and particularly recently, that the law of supply and demand is an economic myth perpetrated by some capitalist system to fool the people, and still is nothing but a myth. The Royal Commission takes the stand that there is only one law governing prices of things the farmer has to sell; that law is the law of supply and demand. First, the demand for the product and the scarcity or surplus of the supply. Now, if you go down the list side by side, and take the recommendations as suggested by the Government to cure our economic ills, and the policies advocated by the Royal Commission, you will find to their chagrin that a good many sacred cows were gored by the Royal Commission's report. And thus, the people, I think, are fortunate at this time that they are able to gauge some of the policies advocated alongside the Commission for which we paid almost half a million dollars over the past four years of study to bring in the report.

I want next to commend the Provincial Treasurer for his frank statement regarding the condition today of the Crown Corporations. If he had been as frank eight years ago as he was the other day, he would have spared himself and his party a lot of political heated arguments, and he would have spared the people of the province a lot of money that went down the drain in these bankrupt Crown Corporations. He catalogued the failures, he listed among them the Fish Board, the Shoe factory, the Tannery, the Woollen Mill. Then he placed the blame for these failures, I thought, where the blame belonged – when he made this statement that: “perhaps the major error, however, lay in their timing”. I think that is correct; the Government rushed into these ventures without preparation; without being sure whether the economic atmosphere was such as to establish these industries in the condition in which they would have a possible chance of survival.

It is interesting to recall some of the statements made at the time they were set up, and I recall the statement of the Provincial Treasurer, when attempting to sell the bonds to finance these corporations, he describes them as ‘a great challenge and a great clause’. They would increase the flow of capital into industrial development; they would diversify our one-sided economy. Those were the aims and aspirations when they rushed into these Crown Corporations. It is most interesting now, to go back over the press

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reports of the Crown Corporations as they were released from year to year. You will find press reports from 1948 coming out with banner headlines, 'Crown Corporations Make \$4 Million Profit'; 'Crown Corporations Make \$5 Million Profit'; you will find them in the daily papers; you will find them in the 'Saskatchewan News' – 'New Earnings \$3,152,000 For Crown Corporations'; 'Crown Corporations Show Net Profit Over \$5 Million, declares Premier Douglas'. These were the statements that were made from year to year regarding the profits of the Crown Corporations, and I totalled up the other day the total amounts that were claimed for them, and it came to \$42 ½ million that the Crown Corporations should have presented to this province of our - \$42 ½ million! And yet we have the Provincial Treasurer now, standing up in the House and telling us that over a ten-year period the Crown Corporations have returned to the province of Saskatchewan approximately \$6 ½ million in profits.

Mr. Danielson (Arm River): - What a come-down!

Mr. Cameron: - Not any more than was announced sometimes in some of these banner headlines; supposedly the corporations profits for one year. Mr. Speaker, if you review this \$6 ½ million and charge to the earnings of the Crown Corporations the proper charges to them, you will find the earnings are reduced considerably below that. He said in his budget that the total surpluses were \$8,118,000 and that the deficits were \$1,746,000, leaving a net profit of \$6,372,000. But that is a small part of the record. The interest on the advances paid to the Treasury, the government had to borrow money to put into these corporations; they had to pay interest on the money which they borrowed, and take the interest at the rate at which it is today at 3 ½ per cent. You will find the Government had to pay \$2,798,000 on the interest which they borrowed to put into these crown corporations.

Then they made grants to the corporations to cover their deficits from year to year. These totalled \$498,000. Then they paid certain charges to the finance office, which handles the financing of these corporations, which, in the audited statements are charged to surpluses of \$565,000. Then there are the assets purchased of these bankrupted crown corporations, listed as \$407,000, and the market value, when you sell them, will approximately be I would say, half of that – approximately \$200,000. Then you get your interest, \$2,798,000 payments to reduce the deficit \$498,000; finance office costs \$565,000; and the loss and the assets \$200,000, making a total charge of \$4 million odd dollars. And you subtract that – these charges which properly go to the crown corporations, reducing the \$6 ½ million which the Provincial Treasurer assessed to them, to a little over \$2,300,000. That is the picture of the crown corporations, and I think it is timely that the Provincial Treasurer should, at this time, have put the picture straight, in regard to the crown corporations.

The Budget address went directly from the agricultural industry into the industrial expansion in the province of Saskatchewan, and I thought at that time, listening to the Provincial Treasurer, that it was most regrettable that the Provincial Treasurer apparently did not consider the great cattle industry worthy of some mention in the budget, because they painted a picture that would leave one to think that every farm in the country had a spouting oil well on it, and that the whole country-side was dotted with wells producing great quantities of oil. But, when you realize that last year the sale of cattle, from the cattle industry, netted \$73 million to the

cattlemen of the province of Saskatchewan, \$8 million more than the sale of oil from the province of Saskatchewan, then you realize the cattle industry in the province of Saskatchewan is a tremendous industry.

There are other industries in the province of Saskatchewan to which no recognition was paid, and which I will deal with a bit later. But I want to go into the industries as mentioned in the budget. The budget speaks of Saskatchewan's output in industries, and again it compares the figures with the figures of 12 to 15 years ago. I would point out once again that you cannot compare the '50's with the '30's, and use that as a yardstick of the measure of progress. The proper yardstick is to pit Saskatchewan's progress in the '50's with her sister prairie provinces and their progress in the '50's. The Provincial Treasurer, in his budget, mentions industries such as steel pipe, wire, cable, straw board; these small industries – many of them yet in the blue-print stage – to show that the beginning is being made in bringing industries into the province of Saskatchewan. Important as these small industries are, it is evident when we take a look at the size of the undertakings of our sister provinces, Manitoba to the east, and Alberta to the west, that industry in Saskatchewan is still lagging dangerously behind the industrial development of either of the other two prairie provinces.

I want to mention a few of the industries which Manitoba and Alberta have, in order that we can compare the progress of Saskatchewan in the '50's with the progress of our sister provinces in the '50's. Manitoba has a \$10 million cement plant. She has three pulp and paper mills which turn out \$25 million annually; Saskatchewan has not yet been successful in inducing any firm to build a pulp mill in Saskatchewan. Manitoba is to share with Alberta a fertilizer industry, costing some \$40 million, and they have a host of smaller industries. Alberta to the west has a \$70 million chemical –cellulose plant; \$15 million plastic plant; \$24 million metallurgical plant. These are large and successful industries, all established during the past four years, both in Manitoba and Alberta. They create employment; they lead to increased population, and many millions of dollars of consumer's purchases.

These numerous industries in both Manitoba and Alberta have broadened the tax base, and stabilized the economy of those provinces far beyond the extent to which we have been able to stabilize ours. And when we apply the proper yardstick, Saskatchewan's efforts fade into insignificance in regard to the effort and success that has been accomplished in both Alberta and Manitoba in regard to inducing industry to settle here. I think that the C.C.F. member from Pelly (Mr. Feusi) put it right, (although I'm sure he didn't intend it that way) when we painted a picture of farmers leaving the farm, and farmers going bankrupt, and ended up by saying, "and we in Saskatchewan are compelled to bring industries into the province by its boot-tops". That was a statement made by a C.C.F. member in this Legislature, and I think he summed it up remarkably well.

If you look at the immigration picture, it ties into your industrial picture in each of the provinces of Alberta, Manitoba and Saskatchewan. In the earlier years, immigrants came into these prairie provinces in the search for farm land. Today, immigrants are coming into the prairie provinces in search of jobs – not in search of farm lands. And it is most interesting to note that out of 110,000 immigrants coming to Canada in 1955,

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Saskatchewan received only 2,650 of these immigrants. Alberta and Manitoba received 13,000 of these immigrants. I think it is only fair to ask ourselves, why do these immigrants by-pass the province of Saskatchewan and settle in Alberta and Manitoba? And when we do, I think the question is easily answered. They are in search of jobs, and they have established the industry and the development in those provinces which create jobs, and thus, their population is increasing where ours shows the other side.

Take the population from 1944 to 1955, again on the three prairie provinces; population of Alberta increased 258,000 people; population of Manitoba increased 122,000; the population of Saskatchewan by 53,000. In that period from 1944 to 1955, Saskatchewan was not able to retain her natural increase in population; that is, the increase of surplus of births over deaths in the province. The natural increase in the province is 134,000 – that is the rate of births over deaths in the province of Saskatchewan. But the increase in population is only 53,000 during that ten-year period. So then we must assume that 81,000 people have forsaken the province of Saskatchewan to find jobs elsewhere during the ten-year period 1944 to 1955.

Those are the conditions surrounding industry, and I chose the period in the '50's, or from 1948 to 1955 to compare our progress with that of our two neighbouring provinces for several reasons. First, each has the same government they had in 1948. They have governments who have been in office for sometime. They each have similar economic conditions; the freight rate structure is similar; the climate conditions are similar; the factors which influence production of manufactured goods in Alberta and Manitoba are identical factors that influence the cost of production and the overall picture of manufacturing in Saskatchewan.

Take new investment in manufacturing in Manitoba, Saskatchewan and Alberta. In the year 1948, \$19.2 million in Manitoba, \$7.7 million in Saskatchewan; \$23 million in Alberta. In 1950, \$26 million in Manitoba; \$11 million in Saskatchewan and \$20 million in Alberta. But if you take the total invested in manufacturing in 1955, during the '50's, you find that Manitoba has \$220 million invested in manufacturing; Alberta has \$411 million; Saskatchewan \$116 million. Manitoba has twice the amount invested in manufactured industries than we have been able to secure; Alberta has four times the amount. If you look at it on a per capita basis since 1948, Manitoba has invested in that province in manufactured industry \$266 per capita for every man, woman and child in the province of Manitoba. Alberta, \$396 per capita, Saskatchewan \$133 per capita.

Or another criteria – take the value of production. In 1954, Manitoba's factories turned out \$557 million worth of produce; Alberta \$570 million, and Saskatchewan \$282 million. If you take the value of building permits in each of the three prairie provinces in 1954, \$6 million in Manitoba; \$4 ½ million in Saskatchewan and \$12 million in Alberta. Or, if you take the total permits and add them up since 1948 to see where your construction is taking place, then you will find Manitoba is \$27 million; Alberta \$56 million and Saskatchewan \$19 million, in these building permits.

Look at your employees in manufacturing – there is another yardstick. Employees in manufacturing in Saskatchewan in 1954 – 11,750 people; in 1944 the number of employees engaged in the manufacturing industry in the province of Saskatchewan was 12,361 people.

Mr. A. H. McDonald (Leader of the Opposition): - Progress!

Mr. Cameron: - So we have less people, less jobs, less industries in the province of Saskatchewan today than you had in 1945 when you assumed office. When you compare the progress of Saskatchewan in the '50's with the progress of the neighbouring provinces in the prairie economy, then you can get, I think, a true and accurate picture of whether or not this Government has interested itself in the development of the province of Saskatchewan, in establishing a base of taxation that will take some of the burdens off agriculture, have created jobs to induce immigrants, and to keep our own boys and girls within the province of Saskatchewan. When you look over that period you will find the niggardly efforts that have been made by this Government in the overall picture of development in the province of Saskatchewan; in order that we might take our stand along with the other provinces in the overall economic effort of the Dominion.

Mr. Lopton (Saltcoats): - That's Socialism, for you!

Mr. Cameron: - You cannot refuse those statistics – they are there.

Mr. Danielson: - It's just propaganda.

Mr. Cameron: - I want to deal for a moment with the budget, and the increase in revenue as mentioned by the Provincial Treasurer. The gross debt of the province is up \$15 million odd. The direct and the indirect debt of the province is up \$20 million over last year, and is up \$55 million over what it was in 1948. If the Provincial Treasurer was reporting the net debt of the province on the same basis that he did during his first four budgets, he would have to go to the people of Saskatchewan and reveal an increase in indebtedness of \$55 million.

Mr. McDonald: - He changed his method.

Mr. Cameron: - But the Provincial Treasurer has, as he termed it, 'streamlined' his method of revealing the debt of Saskatchewan.

Mr. McDonald: - He borrowed himself out of debt.

Mr. Cameron: - Now this is how he operates it today. He takes his borrowings – for power, telephones, and such other as he terms 'revenue-producing enterprises', and deducts these, because he says the taxpayer will never be called upon to pay them. This works out quite nicely for the Provincial Treasurer, because the more he borrows, the less he owes. It is very interesting to note, however, that the Dominion Bureau of Statistics, which keeps a tabulation of the debts across the whole of the Dominion, of each of the provinces, or the annual reports of the banks, do not use the Provincial Treasurer's method.

Mr. McDonald: - They'd soon be out of business.

Mr. Cameron: - They list the two types of debt – dead-weight debt, and the debt of the revenue-producing enterprises – then they take the two parcels, one for the dead-weight debt, or the direct debt, and the other

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for the indirect debt, and they segregate and show the condition of each, and then they tie them back together to get your complete debt, which they call the direct and indirect debt. And that is the basis on which it is done, and has been done, and continues to be done.

I have no quarrel with the Provincial Treasurer breaking his debt into two sections and saying this portion is the direct responsibility of the taxpayer; this portion, the revenue-producing enterprises will pay the carrying charges and retire their debt, and so he breaks them into two. But then when he talks about the net debt of the province, he forgets to pick up one of these parts. He takes them apart, but he forgets to put them back together again. I think he is conveying a wrong impression to the people of Saskatchewan, to say that he is reducing the debt by millions each year, when all he is doing is taking away the amount borrowed, and put into revenue-producing enterprises. While, in these economic conditions, they may carry their own weight and pay off their debts, we still know there is a possibility that if any of these revenue-producing enterprises should become over-capitalized, and we run into less prosperous conditions; it could be possible that you would run into a condition where these revenue-producing enterprises will not pay their borrowings and their debt, and thus it will fall back on to the taxpayer to pick up the bill. I think if you are going to talk about it, it is all right to break them down and show the two different types, but they must be tied back together again to give the total.

This budget reveals \$7 million-odd extra in revenues coming in to the province of Saskatchewan. This was done, of course, without any increased taxation, but the taxes which had been imposed was increasing in its collection to the extent of some \$7 million. Now, I want to show, I think, which way this \$7 million is being divided, or apportioned out among the various items that the budgets deals with. School grants were up \$1 $\frac{3}{4}$ million over what they were last year. That is sufficient to keep the Government's portion of the cost of school, or of education, at approximately 25 per cent of the cost, leaving the local districts to shoulder still the 75 per cent of the cost of operating the school. One million dollars is devoted to the grid system. This will be spent provided the municipalities are willing and able to contribute \$1 million of their share in building this system of secondary highways. An extra \$1 million had to be voted to cover the hospital deficit on the hospital plan for the province. Welfare and rehabilitation got \$1 million more. One million dollars more had to be set aside for increased pay for the increased numbers of civil servants. One million there, and the other various items took up \$1 $\frac{3}{4}$ million. I notice, too, in the budget there is provision made for \$300,000 to begin a new public building to staff the health department and its officials. I think each year, practically, since I have been here, we have been voting a million or a million and a half to the construction of such buildings. We have them in the city of Regina and we have them in practically every other centre. It seems to be a continual growth and an overflow until we build a \$1 $\frac{1}{2}$ million structure today; next year we have to put another million addition to it; this year we are building another million dollar addition again, to house these offices and these people to take care of the Government business.

The press said the Provincial Treasurer's budget was \$87,147,000. That is correct insofar as it goes because, of course, they are giving the

budget on revenue account, but if you take in all of these expenditures of the province of Saskatchewan, \$87 million-odd in revenue; \$20 million-odd in capital; \$11 million-odd reimbursements; \$6,310,000 in capital reimbursement. Advances to power - \$26,700,000; advances to telephones \$9,500,000; health grants, \$2,388,000; you get an overall budget expenditure of \$163,285,000. I think it is right and fitting that we should give the people of the province a picture of the overall expenditure – not just a portion of it, and if you would include the hospitalization plan, then this Government is spending in the province of Saskatchewan, \$172 million; not any \$87 million.

I think that every one of our local governments has the right to look to the budget to see to what extent they have been included in the overall expenditures of the province. I want to deal for a while with the local government, the schools and the municipalities. I think that everyone in the House realizes they are carrying heavy responsibility in the province. Local governments play a very vital role in the life of our province. They have assumed certain responsibilities, and have undertaken to perform certain services assigned to them, and unlike either of the senior governments, the Provincial or the Dominion, the only avenue of taxation available to them is the direct property taxation – that is all they have available to them. Since these local governments are ‘creatures’ of the province, it must assumed responsibility then, to assist these local governing bodies in meeting their obligations assigned to them.

I think when you look over the overall picture of the local government in this province, you must arrive at the conclusion that the provincial government has been shirking its responsibility in regard to local governing bodies, because they do, today, find themselves in great difficulty. A look at the financial plight of the local governments will reveal the extent to which they have been left to their own devices, to carry the responsibilities and burdens which this Government has assigned to them. I believe a review of the school situation today will reveal that our schools are in a precarious position. The situation is such as to demand more drastic action than that supplied in the budget. School taxes have risen to the point where Saskatchewan has the unenviable record of having the highest per capita municipal tax for education of any province in Canada. You can go into any province in the Dominion of Canada and you will pay less per capita municipal tax for education that you will pay in the province of Saskatchewan. Nowhere, in all of Canada, is the per capita municipal tax for education as high as that in our province! That, in itself, is bad enough, but when you make a study of the school situation, it reveals that the tax burden for schools is increasing in the province at the rate of approximately \$2 million per year. In 1944, the Premier who was then the leader of a party seeking office, declared “the responsibility of education rests squarely upon the shoulders of the province and it should not be passed on to any other body.” Those were noble words in 1944! They were going to carry the complete cost of education. . .

Hon. T. C. Douglas (Premier): - Mr. Speaker, on a point of order, my hon. friend has quoted this document before, and always left out the last sentence. At no time, in that statement, or any other statement, did we undertake to bear the entire cost of education. The Leader of the Opposition (Mr. McDonald) has already quoted this, and

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when he finished quoting it, (which he was very reluctant to do) it turned out that what I said was, “that we would assume our constitutional responsibility.”

Mr. McDonald: - That’s not true, and you know it.

Premier Douglas: - If my hon. friend will quote the statement he will find out that it is true. He keeps saying it isn’t true, but if he will just quote it he will find out.

Mr. McDonald: - It’s not true, and I have quoted it to you hundreds of times.

Mr. Cameron: - All right, Mr. Premier. Every time we mention that you bring up the same answer. That isn’t the interpretation the people of the province of Saskatchewan placed upon that statement; that isn’t the interpretation you would take from the statement as it reads.

Premier Douglas: - Read the statement.

Mr. Cameron: - As somebody said a little while back from over there, no intelligent person would ever believe that that was the meaning intended in regard to that.

Premier Douglas: - Mr. Speaker, I am entitled to ask the hon. member to read all the statement – not just a sentence pulled out of context.

Mr. Walker (Hanley): - He should read it, or withdraw his statement.

Mr. Speaker: - Order! If the hon. member has been requested to read the whole of the statement, he should comply with the request.

Mr. Cameron: - Well, the statement has been read so often, Mr. Speaker, that I think everyone is familiar with it.

Mr. Walker (Hanley): - Read it, or withdraw.

Mr. Cameron: - It has become a by-word in this Legislature, and the fact is this, they haven’t carried the whole cost of education, of course not.

Mr. Walker (Hanley): - Read it, or withdraw.

Mr. Cameron: - They probably would have settled for 50 per cent of the cost. . .

Premier Douglas: - You won’t read it, eh?

Mr. Cameron: - Yes, I’ll read it for you. Just a half a minute and we’ll have it.

“The first thing which a C.C.F. government would do would be to recognize education as a responsibility of the provincial government.”
There you have placed your responsibility. I’ll go on:

“There has been a tendency on the part of provincial governments to pass the buck to the municipalities and local school boards for maintaining educational facilities.”

It goes on to say this:

“The time has come when we must recognize that Canada’s constitution places the responsibility for teaching our children squarely upon the provincial governments, and it cannot be passed on to any other body.”

Premier Douglas: - Go on, finish reading it.

Mr. Cameron: - Now what interpretation are we to take, other than to say the responsibility for education is that of the provincial government and it cannot be passed on to any other body.

Premier Douglas: - Finish reading it.

Mr. Cameron: - You read it – you finish reading it.

Premier Douglas: - Mr. Speaker, I ask the hon. member to finish reading that statement.

Mr. Speaker: - Order! Order!

Mr. Cameron: - That’s all there is. That is your statement regarding education in 1944.

Premier Douglas: - The hon. gentleman hasn’t finished reading it.

Mr. Cameron: - If you have put on appendages and amendments to it since then, well, I haven’t got them.

Premier Douglas: - No, you haven’t finished reading the statement.

Mr. Cameron: - Those were the ones you made in 1944.

Mr. Speaker: - Order! Order!

Mr. McDonald: - Have the Premier read it.

Mr. Speaker: - Order! I conclude the hon. member is taking his own interpretation.

Mr. Cameron: - That is my interpretation on what you placed on that paragraph there. The province would assume full responsibility; that past governments have been passing the buck to the municipalities; and this political party didn’t intend to do that. “We will assume complete responsibility for education in Saskatchewan.” That is what he said. I say those were the aims in 1944. . .

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Premier Douglas: - Mr. Speaker, on a point of order, if the hon. gentleman will send the statement over, I will read it, very gladly, to the House.

Mr. McDonald: - You must have a copy of the statement, haven't you?

Mr. Cameron: - I'm going to read, Mr. Premier, your amendment to your statement here just a short while ago. . .

Mr. McDonald: - I'll dare you to read it, Mr. Premier.

Mr. Cameron: - . . .where the Premier now says:

“The responsibility of the Provincial Government is merely to give grants to the less favourable areas, in order that they can give a service equal to the more favourable areas, in an effort to equalize the educational opportunities for all the children of the province.”

Quite a come-down, to say the responsibility of the province today, so far as education is concerned, is merely to portion out grants in such a way as to attempt to equalize the educational load between the lower-assessed and the higher-assessed areas of the province.

Premier Douglas: - Are you against that?

Mr. Cameron: - Yes, that was your statement.

Mr. McCarthy: - Order!

Mr. Speaker: - Order! Might I tell the hon. member I will call order.

Mr. McCarthy: - Well, I wish you would.

Mr. Cameron: - The Government, to the end of 1955, is carrying just slightly over one-quarter of the cost of education, and the increase in the budget of Monday was just sufficient to bring up the amount it had fallen below the one-quarter back up to that level, so that the Saskatchewan Government today is paying one-quarter of the cost of education through its grants, and the school districts, through the municipalities, are still shouldering 75 per cent of the costs.

They said in 1944, and repeated it here, that they have taken the load off the municipalities, and the backs of the school districts. I want to reveal to what extent you have removed that load. The load in 1944 was \$5 ½ million; that was the burden of operation. In 1955 – now, they have increased that; the load for taxes for carrying our schools today has amounted to the sum of \$15 ½ million. Rather than lessening the burden, you have increased the tonnage of the load by \$10 million, so where have you taken the load for education off the backs of the school districts, when in 1944 it cost them \$5 ½ million and today it is costing them \$15 ½ million. Just a load of \$10 million more to what it was 10 years ago!

This staggering tax load is being added to by approximately \$2 million per year. In 1945, the school liabilities were \$8 ½ million. By 1955 these same liabilities had crept up to \$16 million. That is the load. Some conception of the cost of education can be had if we look at the period from 1950-55; let's take a five-year period. Let's not go away back to the '30's and say what we have done' let's see what we've done during the past five years from 1950 to 1955, under the most prosperous conditions that Saskatchewan has ever known. The cost of operating our classrooms in

1950 was \$21 million; in 1955 this cost had risen to \$29 million - \$1 ½ million a year. According to studies made by the Trustees' Association, in looking over the whole picture of education in the province of Saskatchewan, they estimate that the cost, by 1960, to operate our schools will be \$34 million. Up again from \$21 million to \$29 million; from \$29 million up to \$34 million. And these figures indicate that the ratepayer has been called upon each year to reach into his pocket for an additional one and a half million more than he did the year before.

It indicates that in 1956 every ratepayer in a school district will have to reach into his pocket to make up \$1 ½ million in taxes more than they paid in 1955. In 1957, they will have to reach into their pockets for another \$1 ½ million more than they paid in 1956; and in 1958 another \$1 ½ million more than they paid in 1957, and again in 1959 and 1960, because by 1960 it is going to cost, according to these estimates and studies made by the trustees, \$34 million to operate the schools. It will have to be found at the rate of \$1 ½ million each year from now until 1960. Yet, with this tremendous burden placed upon the taxpayer's back for education, we get this pittance thrown in to bring up the share to 25 per cent.

If you look over the school situation, you see costs are soaring, school debts are increasing; tax arrears are accumulating at an alarming rate; and in connection with tax arrears, I want to read to the House some of the tax arrears the Larger Units are faced with in the province today, and on a Return table in the House a few days back it gives the list of the units and the amount of tax arrears. I am going to give the numbers, rather than the names of the Units.

Unit No. 1, in 1948 had \$31,000 of arrears of school taxes, and by 1954 they had \$117,000 of arrears. Unit No. 2 in the southern part of the province that had \$70,000 arrears of taxes in 1948, in 1954 faced arrears of taxes of \$213,000. No. 18, in the eastern part of the province had \$25,000 of arrears of taxes in 1948; \$100,000 in 1954. Another one that had \$42,000 in 1948, had \$139,000 in 1954. You get into the central part of the province - they have increased from four to five times the arrears of taxes. Mr. Speaker, when you get into the north and into the eastern parts of the province, that is where you find the tremendous arrears of taxes in these Larger Units.

Mr. E. Walker (Gravelbourg): - They can't sell their wheat.

Mr. Cameron: - Take No. 35, \$319,000; you come into the north of the province No. 46, in 1948 had on its books \$52,000 arrears of taxes, in 1954, Mr. Speaker, this Unit found itself burdened with \$337,000 of arrears of taxes. We find another up in the northern part of the province that had \$85,000 of arrears of taxes in 1948; today they have arrears of \$396,000.

Premier Douglas: - They're waiting for cash advances!

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Mr. Speaker: - Order!

Mr. Cameron: - That is the condition that exists – the piling up of arrears of taxes in the Larger School Units.

Mr. Loptson: - Through socialist policies.

Mr. Cameron: - That is the condition that we find has been brought about during the most prosperous conditions in the history of the province of Saskatchewan. Someone said a moment ago the arrears of taxes were the result of not having cash advances. Well, let me tell you something. Why did you have an accumulation of arrears of taxes piling up in 1949, and in 1950 and in 1951 and 1952, and in 1953?

Mr. Walker (Gravelbourg): - Because we lost our overseas markets.

Mr. Cameron: - We had markets in those years, and we were selling wheat, and the income was the highest Saskatchewan has ever experienced. Then you have got the silliness to say these arrears of taxes are because you haven't got cash advances. When they have been piling up over a five-year period, until today the Larger Units are burdened with arrears of taxes of \$7 ½ million.

Not only have they got this accumulation of arrears, but they have had to resort to heavy borrowing; heavy borrowing for current operating purpose, to operate the classrooms from day to day. They have had to go and get loans, and to show the extent to which they have had to borrow, if you look back to 1948, to operate our Larger Unit classrooms then, the School Units borrowed for current operating expenses \$762,000. But in 1954, current loans, in order to keep the schools operating, and pay the teachers, they were compelled to step out and borrow \$3 ¼ million. These increases in borrowing have taken place, together with the arrears of taxes, during the peak of farm income.

Not only do we find the highest per capita tax, municipal tax, for education of anywhere in Canada, but we find staggering arrears in taxes, heavy borrowings for current operating expenses, and a future that says operating costs of schools will continue to soar to rates of million and a half to two million each year. It is time that we gave some serious consideration to the problems facing education in Saskatchewan today, because if these conditions persist, and there is no indication that they won't, then I say that our schools in Saskatchewan today are facing a financial crisis, and it is time that some thought and consideration was given to these problems. If we look to the municipalities; we find the condition is not as serious nor acute, because the municipalities came out of the depression with some \$22 million of arrears in taxes. These taxes have been collected over a period of years, and it has been helping them to finance and carry their expenditure, but these collections continued until they had approximately \$8 million of arrears in 1940. In 1952, these had crept up to \$22 million. In 1952 these arrears were creeping up at twice an accelerated rate.

Dealing with municipalities, and the assistance which this Government claims it gives to municipalities, I want to deal for a moment with a statement the Provincial Treasurer is reported to have made in the city of

Saskatoon, when addressing a C.C.F. meeting there. I have never read a statement that has given an impression as contrary to the facts as this one has, and I want to deal with this for a moment. I want to deal with it because it purports to the budgetary expenditures of the Government in their assistance to local governing bodies. "The provincial government gives assistance to municipalities", he is reported to have said, "in amounts yearly to more than the federal tax rental subsidy." In other words, they have given municipalities assistance over \$26 million a year. The article said '30 million a year'. "These benefits added up to \$30 million per year", said the Provincial Treasurer, "in aid and assistance to the municipalities." But, because of the devastating effect this statement might have on unsuspecting people who may be misled by those statements, I want to deal with it here and I think, Mr. Speaker, I should expose it for what it is; unadulterated political propaganda!

Mr. Walker (Hanley): - Read it.

Mr. Cameron: - And I am going to read it. Speaking of the burden the Government has removed from the backs of the municipalities, the Provincial Treasurer made these statements:

"They have removed the hospital services, previously paid by the municipalities - \$8 million."

Now, Mr. Speaker, in 1944 the municipalities spent for health and hospitals \$36,000, just \$7,964,000 less than the Provincial Treasurer said they spent. How can the farthest stretch of imagination say they have taken hospitalization off the backs of the municipalities, when the municipalities were not burdened with this in the first place? That is an overall plan of hospitalization, to which everyone contributes and pays to, but he throws in the cost of hospitalization, and says, "we took that, too, off the backs of the municipalities."

Then, another amazing statement. He said the Government paid \$8 million more for roads and bridges per year - \$8 million more!

Mr. McDonald: - Bingo!

Hon. Fines (Provincial Treasurer): - Mr. Speaker, may I, on a point of order point out to the hon. gentleman that this was newspaper typographical error, which they corrected at a later date.

Mr. Cameron: - What was the amount stated?

Hon. Mr. Fines: - The total amount, Mr. Speaker, was \$3 million.

Mr. Cameron: - I'm glad to know the Provincial Treasurer corrected me on that figure, because that is an astounding figure. In 1954-55 the Public Accounts showed the government expenditure in grants to municipalities, and construction of bridges, combined, as \$1,258,000 - according to the Provincial Treasurer's Public Accounts. Not \$8 million, not \$3 million, as the corrected statement says, but \$1,258,000.

Hon. Mr. Fines: - Mr. Speaker, may I again correct the hon. gentleman?

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There was \$2 ½ million for the grid road, and another \$½ million more than ever being spent; at that time it was certainly \$3 million.

Mr. Cameron: - There hasn't been a thing spent on the grid system yet, because it is still in the blue-print stage.

Hon. Mr. Fines: - Well, we know we have committed ourselves to it.

Mr. McDonald: - You only voted it \$1 million.

Mr. Cameron: - Then he totals these all up for a ten-year period and it totals up to \$30 million. Then he gets lost somewhere, and forgets that it was the total that he had for a ten-year period, and he says:

“We are giving \$30 million more yearly in assistance to the municipalities. This is more than the subsidies which we receive from Ottawa.”

Hon. Mr. Brockelbank (Minister of Natural Resources): - That's wrong.

Mr. Walker (Hanley): - I heard him, and that is not what he said.

Mr. Cameron: - They didn't make contradictions in the press to that extent, and I say, Mr. Speaker, that when you look over the situation of the schools in the province today, and the responsibilities that have been placed upon the municipalities – responsibilities which they must carry out, and the fact that these local governing bodies have only one source of revenue, merely taxes on property; then I think it is time that we gave some consideration to the Rowell-Sirois report and its recommendations as submitted in 1945. And it is as a result of that report that a new concept was brought into the apportioning of revenues in the relationship between the senior and the junior governments. As a result of that, numerous conferences between the provinces and the Dominion government were called, and new tax rental agreements were worked out. This was done in order that some of the revenue which the Dominion can tax for itself may be shared with the provinces, because that tax field is not available to them. So it is a re-allocation of some of the revenue accumulating into the coffers of the Dominion, back down to the provincial governments in order to assist them carry the responsibilities assigned to them under the British North American Act.

The spirit of those conventions, and of the report was this: that as the Dominion and the provinces and dealt with this new concept of sharing the taxpie according to their responsibilities; it was the understanding that that same concept would follow through from the provincial to the local governments within the province, and that they would take a look at it and see what arrangements could be made with sharing with the local government boards under their control, on the same thought or concept with which they were working with the Dominion Government. The Premier at that time, I understand from press reports, had stated that he would come back to the province of Saskatchewan, and would undertake to carry out a review of the financial position, and the tax ability of the local governing bodies in relationship to the province. In fact, I think, if my memory serves me

right, he made the statement to a municipal convention in 1946 or 1947, that they were prepared to look into the relationship, and to give consideration to sharing the tax dollar within the province between the senior government and the junior members to assist them in performing the services required.

We say this, that it is long past time when we should call a municipal-provincial conference in order to take a long close look at the situation with regard to our local governing bodies, and to work out a detailed plan for the sharing with them of the tremendous revenues available to the provincial government, in order that they, in turn, may be assisted in carrying on the heavy responsibilities they have had to assume. I think the Minister of Municipal Affairs (Hon. Mr. McIntosh), while he didn't state this as his own statement; quoted some professor or other, to the effect that the more grants the municipalities obtain from senior governments, the less independence they have.

Mr. McDonald: - Too bad.

Mr. Cameron: - Does this Government, in its relation with its senior government at Ottawa, consider that the \$30 million it receives from Ottawa each year to assist in providing essential services make Saskatchewan any less strong? Does Ottawa, paying dollar for dollar for hospital beds make Saskatchewan any less independent? Or Ottawa paying, as they are proposing, 47 per cent of our hospital plan – is that going to make us a captive of the state? Are we going to lose our independence by this sharing of the tax dollar down from Ottawa to the provincial level? Or the old-age pension to everyone over 70? Family allowances of \$21 million that has poured into this province from Ottawa? P.F.A. assistance to \$127 million? Have we become less independent because we've accepted these things? Then we say to the local governing boards under our jurisdiction – the more grants we give you, the less independence you have.

These grants have not made Saskatchewan any less free, nor any weaker, but have strengthened her whole economic position and has taken a fair responsibility of pouring into the province of Saskatchewan revenues which we consider rightfully ours – revenues which more than equal an amount each year the whole budget of the Provincial Government itself.

But in the meantime, we say this: until such time as a provincial-municipal conference can be called, and details worked out as to sharing the provincial tax dollar with our local governing bodies in order to assist them to carry the responsibilities which they must undertake in our present day, then until such time as that can be done and a detailed study made, and a plan formulated, and the machinery set up to put it into operation, then if you are going to stop and check this increased burden of school cost, this mounting of arrears of taxes, this accumulating of liabilities, these heavy borrowings for operating expenses that is going on from year to year, then it is essential, we believe, that these things must be done. The provincial government must assume a heavier responsibility in carrying the educational tax burden in the province of Saskatchewan today.

Yes and regarding the Larger Units; you have led them in an aggressive policy of borrowing, to establish more and better schools; you have

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closed numerous rural schools; you have put on vans to bring the children in; these people have given up certain basic rights which they enjoyed before, which they haven't got today, in an effort to support and go forward, as they were led to believe, with the Larger Units. Those trustees, today, have been relegated to a position less than janitors, in that they have no control in policy-making, no suggestions to make, no word in the operating of the local schools. They have given up all these rights, yet they find themselves shouldered with a tax burden \$10 million more than it was a few years ago, and increasing at the rate of \$1 ½ million per year.

We say we must check the situation; or the schools will be led to the brink of disaster. It is essential, we believe, to increase the school operating grants to a point where the province carries one-half the cost of operating our classrooms, to increase the capital cost of constructing new classrooms. We must call a provincial-municipal conference, so that the municipalities can receive their fair share of the provincial tax dollar in a similar manner that the Dominion shares its tax dollar with the provinces.

I want to deal for a moment, Mr. Speaker, on a subject quite removed from municipal government, and that is the subject of car insurance, because while it wasn't mentioned in the budget, it is one of these extra budgetary things which bring in revenue and has expenditures. I want to deal now with the announcement of the Provincial Treasurer regarding the reduction in rates of insurance on automobiles, trucks and so forth for the present year. I do not think, personally, that we can boast too greatly about the reduction in the insurance premium, because in 1949, you will recall that we had a \$100 deductible and the company had built up a surplus in its funds of \$1 million. Then after 1949, this surplus was dwindling each year; each year after 1949 insurance was operating at a deficit, but the premiums were kept low. Some of you will disagree with me, but I am going to suggest that the premiums were kept low until after we got through the 1952 election. Because immediately after the 1952 election the House was informed we had a terrific deficit in the automotive insurance fund - \$1 ½ million, I believe it was at that time. And the deficit crept up, until it was \$1,800,000 by 1954. It was then that the deductible was raised from \$100 to \$200, and the rates were increased.

Now, the moment the Provincial Treasurer raised his deductible from \$100 to \$200 he assumed responsibility for 20 per cent approximately of the accidents in the province. Eighty per cent of the accidents in the province of Saskatchewan have no insurance at all, because they are less than \$200. In 1954, the coverage was cut when they increased the deductible, and the rates were increased. This reduced coverage, as a result of the \$200 deductible; it has increased the earnings of the company to \$4,600,000 in two years; thus the company ended the year with a surplus of \$2,800,000. The present reduction, as announced by the Provincial Treasurer, is merely to hand back part of that surplus of \$2,800,000 to the people, because of the overcharge. The motorist in the new rates, does not get greater coverage, but he is getting the same coverage with the \$200 deductible that he had before, at a lower rate.

Now with this surplus that we have on hand, \$2,800,000, I think it is regrettable that the Government has not seen fit to take out some of the inequalities in the insurance, and I want to mention something here which has

been brought to my attention, because I live near the Alberta border, and I will be frank with you, and say that I didn't know that clause was in the Act. The situation is this, that if a party in the province of Saskatchewan, driving a car, is hit by another Saskatchewan driver who is driving recklessly, the innocent party in the accident must pay the first \$200 of the property damage to his car. The Government pays the balance. If that reckless driver, proceeding west, doesn't hit a Saskatchewan motorist, but when he crosses the line into Alberta, he hits an Alberta motorist in Alberta, who is the innocent party to the accident, he is not called upon to pay the first \$200 deductible. The province pays all of his damage claim, and likewise if a Saskatchewan motorist rammed into a car in Manitoba, the innocent party who is a Manitoba driver, would not be compelled to pay the first \$200 damage to his car, even though it was caused by a Saskatchewan driver in a Saskatchewan car. The insurance pays his whole claim. No, I say this, why should we discriminate against the Saskatchewan motorist to the extent that we pay the whole of the damage to a motorist in Alberta or Manitoba, but our own car drivers, we nick for the \$200 deductible on the damage that is done to them. That, I do not think, should be permitted to continue because why should we favour a Manitoba driver, or an Alberta driver over our Saskatchewan motorists themselves? I think this is a case of discrimination against the Saskatchewan motorist. I think that discrimination should be removed, and that they should be treated the same as the motorist in Alberta or Manitoba, because Mr. Speaker, there is nowhere in Canada, except the province of Saskatchewan, where you have a \$200 deductible on property damage or public liability. All other provinces have been rid of it for years. No insurance company in any province anywhere in the Dominion of Canada can put a deductible of \$200 on property damage. It is outlawed. Yet we in Saskatchewan, under compulsory provincial insurance, have placed on our motorists, a \$200 deductible property damage, something which has been outlawed in every province since the 'thirties.

I think, too, there is a good deal of justification in compelling a motorist to carry property damage and public liability insurance, because that protects his neighbour in the event that he causes property damage or bodily harm. To that extent, compulsory insurance can be justified, in that it compels the motorist to protect his neighbours in the event that he causes them property damage or public liability. But to compel a motorist to carry insurance against damage to his own property cannot be so readily justified under the Act. If the compulsory feature covers the property damage, and public liability only, the innocent victim could be protected to the full extent without a \$200 deductible, and be protected in any accident in which he is innocent, rather than protection on only 20 per cent of the accidents in the province. The innocent party of an accident could have complete protection at a lower rate, and not find himself a victim of discrimination as we have it under the Act today. Because it is surely a rank discrimination to saddle him with the first \$200 damage, while having no deductible for the out-of-province motorist.

I think it is time that the Government gave a long, serious look at the insurance as we have it here, in order to remove some of these inequities.

I want to deal for a moment or two with our stand on rural

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electrification, because the profits from the Power Corporation were mentioned in the budget, and the profits were large. They have been built up over a period of years; the Power Corporation and the Telephones each have built up surpluses. Each year telephone earnings have increased, and it is certainly gratifying to note that as yet the Minister of Telephones (Mr. Kuziak) hasn't seen fit to put on another increase in rates. But you will recall a year or two ago when he put on the last increase, he waited until the House prorogued, then he went home and then he announced it to the press. I hope he doesn't see fit to do the same thing this year.

Mr. Danielson: - There is an election this year.

Mr. Cameron: - But, of course, keeping in mind the month of June, I do not anticipate any such announcement this year from the Minister.

Mr. Danielson: - He won't have a chance after June, anyway.

Mr. Cameron: - We say this, that under the present electrification scheme of bringing power to rural Saskatchewan, we have done two things. We have asked the farmers on the quarter and half-sections of land, which is probably the majority of the farmers, together with the others, practically all, if not by far the greatest portion of the cost of bringing that line to his farmyard. Then in return, after having contributed \$500 towards the construction of the line he is asked to contribute by rates to the building up of the power corporation's profits on top of that. We still take the stand, that when the Power Commission was first set up in 1929 (and I think it was Mr. Spence, if I remember correctly, who introduced it at that time) the purpose of the Bill was to set up the Power Commission in order to bring power to municipalities, or corporations, or individuals at cost.

The Minister of Public Works (Hon. Mr. Darling) last year, I think it was, recalled that statement. He said that the Government was following the policy set up at that time. We say that this Government has deviated from the intents and purposes of the Act when the Power Corporation was established, to bring power at cost to municipalities, corporations or individuals. I believe there is a possibility that the present method of the Power Corporation in control of the distribution of gas, and the setting of rates might become a dangerous monopoly, a government monopoly, that can deteriorate into a more vicious instrument for profits than even a private monopoly. Sometimes the trend would seem to indicate that the chief concern is profits rather than to extend the services at as low a rate as possible, for both the gas and the power – in order to assist the residents of the province, and to induce industries to come into the province because of the cheap rates. The present policy of higher rates, in comparison to those being charged in Manitoba and Alberta, is again another factor in preventing industries from coming into our province, rather than settle in each of our neighbouring provinces.

Mr. Speaker, I have pointed out some of the many things which we feel that the Provincial Treasurer in bringing down his budget has overlooked. We say because of the treatment of the local governing bodies, lack

of development of industries; causing our youngsters to leave the province, and immigrants to by-pass it, we have not created an atmosphere conducive to an expanding economy.

It is because of those things, and a neglect of those essentials, Mr. Speaker, I find I cannot support the budget.

Premier Douglas: - Mr. Speaker, just on a question of privilege, I didn't want to interrupt my hon. friend when he was on the air, but he quoted a statement of mine, and all I asked was that he finished it, and I would like to put it on the record, so that there is not misunderstanding about the statement. He stopped at the word 'responsibility', and I would like to go ahead and read the rest of this paragraph:

"All along the Provincial Government has been evading its duty. It has made grants to schools, outlined courses of study and provided for inspection of schools. It has left the main burden of maintaining school services upon the municipality and the local school board. The main burden does not belong there.

"A C.C.F. Government will accept the responsibility laid on it by our constitution, and take steps to provide adequate schooling for all children, irrespective of the part of the province they may happen to live in."

I wish this complete statement to be put on the record, Mr. Speaker.

Mr. McDonald: - Well, Mr. Speaker, on a point of privilege, I just want to point out that the Premier is now quoting from a different speech altogether to the one that the hon. member from Maple Creek (Mr. Cameron) quoted from. The speech that the hon. member from Maple Creek quoted from was February 16th, 1943; the speech that the Premier is now quoting from is dated May 17th, 1944.

Premier Douglas: - I'm quoting from the speech that the hon. member from Maple Creek is referring to, and which he sent across to me.

Some Hon. Member: - Change of heart in the meantime!

Mr. McDonald: - There are two speeches.

Premier Douglas: - I'm quoting from the speech that the hon. member sent across to me.

Mr. McDonald: - There are two speeches – one year apart.

Premier Douglas: - Then why did you send it across to me, if you're not sure which one. . .

Mr. McDonald: - You've made so many speeches, now you're all mixed up!

Mr. Speaker: - Order! Order!

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Hon. W. S. Lloyd (Minister of Education): - Mr. Speaker, when the Provincial Treasurer made his speech the other day, he said that the Budget could be likened to a mirror. I gather from what we have heard this afternoon, that the member from Maple Creek (Mr. Cameron) looked into the mirror and didn't particularly like what he saw. That I can understand, Mr. Speaker. I would suggest though that most people looking into a mirror and not liking what they might see don't decide to throw the mirror away. I can understand the remark too, which he quoted as having been made by the member for Arm River (Mr. Danielson), who talking about the Budget said it sounded like a call of distress.

Mr. Danielson (Arm River): - Correct.

Hon. Mr. Lloyd: - It does sound like distress insofar as the Liberal party is concerned. I suggest that the reason the member from Maple Creek didn't like what he saw when he looked in the mirror of the Budget, was that he saw in that mirror the Liberal party continuing in the doom and the blackness to which it had been confined for a number of years, in the Province of Saskatchewan.

Certain things were revealed in the address of the member. He had reference for example, to the stand which this Government has taken with regard to the problem of marketing throughout the province. One can gather, from inference, from what he said when talking about the Royal Commission that he himself and the members of his party do not feel favourably disposed toward cash advances for farm-stored grain; that they are not concerned about the export market for wheat; that they are not in favour of the two-price system. I want to quote, Mr. Speaker, in that regard from another document, a document which is put out by the Saskatchewan Wheat Pool, entitled "Wheat Policy - 1956." In this statement the Wheat Pool specifically puts itself on record as asking for a floor price for wheat, which might involve Government subsidization. It adds:

"The Saskatchewan farmer also believes, and it is expressly stated in the Wheat Pool policy, that the Government must seek to expand international trade in wheat. It believes that the Government should extend credit for foreign purchasers, where this is necessary to meet the needs of the foreign buyer. It should also be prepared to accept sterling or other currencies when necessary."

And over the page its comments on the current problem of shortage of arm cash which was considered, it says:

"The delegates went on record in favour of a system of cash advances on farm-stored grain, to be paid out by the Canadian Wheat Board to elevator companies, with the Federal Government assuming the interest on the loans involved."

Mr. Speaker, there has been demonstrated in this province on

many occasions in the last 12 years an essential unity in the point of view of the Government of this province and the wishes of the people about many important problems. But never in the history of this province has that essential unity of what the people of this province think they want and what this Government says is good been so demonstrated as in the matter of the what problem which we faced last fall and still face.

The member has reference too, to the fact that this province had not strengthened the provincial economy so as to help us meet problems which we face when agricultural conditions are depressed. I want only to refer to one item here and that is the revenue which the Budget anticipates for the Budget year from natural and mineral resources. It is an amount which is up roughly 50 per cent from mineral resources from last year. It represents, I think, something like \$12 million as compared to \$1 million in 1943-44. At that time the revenue from those sources amounted to only three per cent of the revenue of the Budget; this year it will amount to something over 11 per cent of the anticipated current revenue of the Government. That is some indication of how the economy of the province has been strengthened by development in that particular field.

In dealing with industrial expansion, he tried to establish the fact that what we should do is to compare only with other provinces and that we should never compare with the past in the Province of Saskatchewan. One can understand why the Liberal party would take that point of view. May I submit that if they want to get the whole and complete story about industrial development then they must compare the position in Saskatchewan not only with other provinces now, but with other provinces as conditions existed 10, 15, or 20 years ago, because they had a base on which to build, which was not present in this province, until comparatively recently.

If one is to believe that there are such great benefits accruing to the people of these other provinces because of this industrial development, one would expect this to be reflected in terms of the kind of services which the Government can give to those people, or in terms of the tax rates which are effective in those provinces. I submit that, first of all, with regard to services which are given, neither in the Province of Manitoba, nor in the Province of Alberta, is there any comparison with the services which are available in Saskatchewan. I submit and previously used figures to show that the tax rate in general, municipal tax rate in Saskatchewan, is less burdensome than in either of the Provinces of Manitoba or of Alberta. And if this great development of industry has stabilized the income there, it should have been reflected in the welfare of the people in those regards.

He had also some considerable amount to say about the debt situation in the Province of Saskatchewan. He seemed almost to object to the idea of incurring increased debt for self-liquidating projects. I cannot believe that he actually meant this statement to mean that. But again, Mr. Speaker, the proof of the pudding is in the eating, and the proof of the improvement in the situation of the financial position of the Government of Saskatchewan is in the way in which we are able to market the bonds and securities of this Province. The Provincial Treasurer made the point as he has on previous occasions; in this Budget he made it again, as to how we are able to sell the securities of the Province of Saskatchewan

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on the markets of Canada and the United States at a rate comparable to that received in any of the other Canadian provinces.

Referring also to one other aspect of the Budget, he seemed to take a position opposed to the building of certain new public buildings. It is true that this Government has had to undertake the erection of a number of new public buildings in the past year. It is true also, Mr. Speaker, that the need for all of those buildings can be substantiated and the need can be explained in terms of development in the Province of Saskatchewan. Reference was made on this particular occasion to the new building that is proposed for the Department of Health. Certainly with the expansion that has been going on in that Department and with the expansion which there is certain to be in the future, it is only good common business sense to see that the activities are well and properly and adequately housed.

The main part of his address was taken up with his attempt to show a more favourable position with regard to local governments. I want to read, Mr. Speaker, a statement I have here which says this:

“It is often charged that the Government is niggardly in its support of education.”

I want to add that I read that from a statement appearing in the ‘Manitoba School Trustee’ in the February issue, the speaker on this occasion being the Minister of Education in that particular province. This is a province which is referred to as being one which has gone ahead in great leaps and bounds. I only want to say here that the Minister at that time gave figures to illustrate that their grant per pupil was some \$43.18; the grant in Saskatchewan at that particular time was \$56.77 per pupil.

Now, I want, however, to turn more fully to his statements with regard to municipal taxation. May I say, as I have said in this Legislature before, that you cannot get the picture of municipal taxation by looking only at school taxes, or only at municipal taxes. You must look at the total picture in order to see what it really looks like. So I would give some comparative statistics since again the hon. member has based his case on the fact that there has been so much more done in these neighbouring provinces, and since supposedly this has meant so much more to the people of those provinces. This booklet which I have in my hand is entitled “Canadian Government and Municipal Financial Statistics.” It is published by the very well known firm of Wood, Cundy and Company, and in this particular issue they survey the taxation situation with regard to the larger cities, all across Canada. They include statistics for the cities of Saskatoon and of Regina in Saskatchewan. If you will look down the column which is entitled “Current Tax Levy Per Capita” (this is in 1954) you will find that except for the city of Quebec, the tax levies per capita in Regina and Saskatoon are the lowest of any Canadian cities of their size in the entire Dominion of Canada. For the City of Regina it is \$55.81, and for the City of Saskatoon it is \$57.26. Winnipeg in Manitoba, of which province he spoke, the tax levy per capita is \$73.06. Calgary in Alberta, of which he spoke, is \$67.67.

Well, on that basis then with regard to our urban municipalities, Mr. Speaker, the total tax levy including school, municipal and other taxes,

in these two cities, with the one exception of the city of Quebec, out levies were lower than that in any other city of that size in the entire Dominion of Canada. And if you take the other cities in Saskatchewan, the cities with a population of 15,000 or less, their tax rate per capita is less than the tax rate which I quoted for Regina and Saskatoon. The tax rate per capita in the towns and in the villages is again less than those figures; so that puts out municipalities certainly in a comparatively favourable position with regard to other similar municipalities across Canada.

With regard to rural municipalities, let us take it for example on the basis of taxation per acre, and some of these figures have been given in the House before, but Mr. Speaker, since the hon. member has reverted to the argument, then it is perhaps necessary to put them on the record again. General municipal and school tax levies combined in Manitoba for the year 1954 were \$82.97 per capita; in Alberta for the same year they were \$66.85. In Saskatchewan for that year they were \$46.98. That doesn't read to me as if taxation in Saskatchewan was higher than in Manitoba or in Alberta. They break it down to give a few examples of municipalities which lie close to Alberta or which lie close to Manitoba. Let us take for example, one in which I am sure the hon. member who has just taken his seat will be interested – the Rural Municipality of Maple Creek. There was a per capita tax levy of \$63.51, there was a levy per quarter-section of \$32.33, a general municipal levy of 23.7 mills, and a school levy of 24 mills. Skip across the boundary into the Province of Alberta, which supposedly, because of the great figures about industrialization he quoted, should be so much better off, and we find this: The per capita levy is \$92.63, almost \$20.00 per capita more than the municipality of Maple Creek. The levy per quarter-section was \$49.02, about \$17.000 more per quarter-section than in the municipality of Maple Creek. The general municipal levy was 25 mills, in Saskatchewan 23.7 and the school levy was 32 mills, which is eight mills more than the levy in Saskatchewan just across the border.

One can go on and take other municipalities. Let me take for example, the rural municipality of Senlac, a little further up the border. And here again, the per capita levy was less than in the municipality of Wainwright, across the border in Alberta, less by some \$5.00. The levy per quarter-section was only \$49.00 in Senlac, as compared to \$86.00 in Alberta. The levy for schools in the Senlac municipality was 25.3 mills as against 36 across the border in Alberta. The general municipal levy was 25.8 in Saskatchewan as against only 17 in the Wainwright division in Alberta.

And if you go to the other side of the province, neighbouring Manitoba, you get something of the same general picture. Take R.M. No. 1, the rural municipality of Argyle. There you will find this, the per capita levy in Saskatchewan is higher, the levy per quarter-section in the Saskatchewan municipality is also somewhat higher. The mill rate combined in the Saskatchewan municipality is 47 as compared to the combined mill rate for school and general purposes in Manitoba of 59. One could go further up the border to the municipality of Moosomin, where you have in that municipality in Saskatchewan a combined mill rate of 52.3 mills, and across in Manitoba the municipality of Archie a combined mill rate of 64.4 mills. I am not going to give any further illustrations, Mr. Speaker, but those and an

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examination of them will show, whether you look at them by separate municipalities, or whether you take the statistics from the Department of Municipal Affairs reports, in each case the total load of taxation which our municipalities are asked to carry in Saskatchewan is not as great as those which municipalities in neighbouring provinces are carrying.

The member reverted again to the statements about 1944, made by members from this side of the House, or members who were talking on behalf of this movement at that time. Nothing needs to be added to what the Premier has said. I would only say again, Mr. Speaker, what the hon. Members across there forget, that when the people voted in 1948, they didn't have to try to interpret even what we had said in 1944, they knew what he had done, and on that we rested our case, and on that they made their choice. The same thing was true in 1952, they knew what we had done, on that we rested our case, and on that we made their choice, and it is of course, a choice which the hon. members opposite do not like.

He had reference to the fact that school liabilities had increased. That is the debt which school districts owe because of capital programmes they have undertaken. Well, it is hardly to be wondered at that this kind of debt has been increased. Let us not forget that in 1944 there had been practically no school building carried on in this province for a period of 15 to 20 years. All during the depression, all during the war, there was a tremendous back log to be caught up with. The position which school boards found themselves in was that they had to take care of the past, and at the same time meet the problems of the present which were an increasing school population, and a shifting of population, and so there has had to be a tremendously heavy building programme carried out. The wonder of it is, I suggest, Mr. Speaker, that that building programme has been carried out incurring as little debt as has been incurred. That is particularly true when one considers that the increased cost of building during that period has been such that buildings now cost twice and up to three times as much as they cost at the beginnings now cost twice and up to three times as much as they cost at the beginning of that particular period.

Here again, Mr. Speaker, I submit that our debt will stand in comparison with that to be found in other Canadian provinces and is not such as to be a particularly burdensome one. I am not sure of the figures at this exact moment, but one year ago, the situation was that the relationship between assessment and debt was about 1.9 of the assessment which is certainly a very safe basis.

It is true, also, that there has been some increase in the amount of borrowing which has been necessary in order to carry on current operations. There is more than one reason for that increase in volume. One is, of course, that it has been difficult, almost impossible, for people to pay their taxes as readily as they would have liked to do. And regardless of what the hon. members opposite may say, the main reason for that lies in the fact that frequently over these years, it has been impossible for the farmer to deliver his grain on time when he would ordinarily have delivered it and received money for it; and secondly, that the farmer has not received compensation at a rate commensurate with his costs of production.

There is too, of course, another reason why it is greater than

it was. Under the system of individual districts previously, the municipalities paid over, or were supposed to pay over, the entire amount of the school levy whether they collected it or not. That was the law; that is the law today with regard to those districts not in the Units. Under the Units they pay it over as they collect it, and that makes a considerable difference. The third difference is this – because of the decision to finance a considerable amount of the capital programme out of revenue, it is frequently necessary to borrow for short periods while buildings are under construction. They borrow some of the money until they have received the taxes which they will use to pay for it or until they receive the grants or the proceeds of debentures, which they are going to use in either case.

It is true that there have been substantial arrears of taxes developed in the province; it is regrettable and it is unfortunate. But, again the member for Maple Creek spent a lot of time trying to prove how the great benefits of industrialization have been passed on to the rate taxpayers in Manitoba and Alberta. Nevertheless, it is true that to liquidate the arrears of taxes in the rural municipalities in the Province of Manitoba, would require a tax levy of 25 mills. To liquidate the arrears in the Province of Alberta would require tax levy of 30 mills; but in the Province of Saskatchewan only 20 mills. That doesn't seem to prove his particular thesis whatsoever.

He said, for example, that prior to the beginning of the hospitalization programme the municipality wasn't burdened with the cost of hospitalization. Well, it is true they weren't if the individual could pay, if the individual got hospitalization, but if the individual didn't pay then it was the responsibility of the municipality to take care of that particular cost, and every year throughout this province municipalities paid out a considerable amount of money in taking care of just such a hospital bills. The individuals, of course, took care of a considerable amount on their own account.

He spoke of the relationship between the provincial and municipal governments. Well, a few years ago, this Government set up a Commission to study this relationship, to study this division of responsibility with regard to services and financing those services. I have reference, of course, to the Britnell-Cronkite-Jacobs Committee. That was a report which the hon. members across the way were most anxious to accept, seemingly accept in its totality. It is a fact so far as the rural municipalities are concerned that except for putting on additional tax on gasoline, the recommendations of that report have been carried out. I recall that that report, for example, with regard to education warned the Government about increasing its grants to education. I recall that quite specifically. Now I know that conditions have changed and I am quite sure that those writers of the report, in view of conditions as they are today, would probably change their point of view. I recall also that these men said this:

“That in terms of the demand that more of the Federal payments be passed on to municipalities that what the Province has already passed on by way of increased educational grants seems to take care of that reasonably adequately.”

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He had reference again to – “I can only infer the difficult problems created by Larger School Units.” It seemed to me that he more or less pronounced his position as being opposed to them. I think we have a right to expect a more clear cut statement from the members of the Opposition with regard to this. I think it is most unfortunate that the people of this province have to be saddled with an Opposition who refuse to take a stand, who will take advantage of every opportunity they can to get some little political credit out of some little difficulties, but who will not assume any position whatsoever of leadership in this regard.

His statement, for example, at the local boards have become less than janitors. I would like to say this, Mr. Speaker, that the power and the authority which the local boards have is almost entirely the power and the authority which has spelled out in the first Act regarding larger school divisions passed in this House, and that way an Act which has passed by the Liberal government of that day.

Mr. Loptson: Ha! Ha!

Hon. Mr. Lloyd: The hon. members over there have a great habit, when they find something they can't swallow, of laughing at it.

Mr. McDonald (Leader of the Opposition): You contradict yourself so often.

Hon. Mr. Lloyd: I want to repeat that those powers and authorities and the method of election, if they want to know, are those which were set down in an Act originally passed in this House by Liberal government. I admit they never intended to do anything about it, but nevertheless they were content to put it on the Statute Books in that particular way.

His statement that the local school boards have become something less than school janitors, (I don't know why it is considered to be bad to be less than a janitor particularly, Mr. Speaker, to begin with) but I repeat here statements I have made to groups of trustees on many occasions, and which I will make again. It is true that they do not have and naturally cannot have the same kind of direct authority which they had previously, but on the overall picture they do have the opportunity to influence in a more effective way what happens in education, than they ever have before. It's the story of a man, Mr. Speaker, who works with a few hand tools and creating some simple little piece of furniture. He has all the authority he needs to determine what is going to happen, but if he works as part of an organization in making decisions and building a much greater structure, he has in fact increased his authority and his contribution and has assumed a greater responsibility than ever he had before.

And again, we had a statement on car insurance, and I would challenge anybody, Mr. Speaker, to know by the time he had finished whether he and the members of his group are in favor of car insurance or against it. He didn't reflect the policy which as I recall was developed by their Convention, not so long ago, in which car insurance was to join other things which were to be thrown out the window.

Mr. McDonald: Mr. Speaker, on a point of privilege, I want to correct the impression that the Minister is trying to leave in the House. No such plank was ever adopted by the Liberal party, and I would request that the Minister read that plank to the House now.

Mr. Speaker: Order!

Hon. Mr. Lloyd: Mr. Speaker, I didn't come equipped to the House, so I must accept the hon. members correction – I didn't come equipped with a copy of the Liberal platform, but I do remember distinctly the article written by their friend, profit and adviser who usually sits in the press gallery, and who writes in the Toronto Globe and Mail, and who writes in certain other publications, saying that the situation was that for the time being it was to be kept, but not beyond that. That is a pretty good inference as to what the Liberal party agreed to in their Convention.

Just a word or two again with regard to rule electrification.

Premier Douglas: 'Leader Post'.

Hon. Mr. Lloyd: Yes, we shouldn't forget the remark made by one of the previous members who sat opposite when this Act was first passed, that this automobile accident insurance plan was, according to him, the greatest hoax ever perpetrated on the Saskatchewan public.

Mr. McDonald: So it is.

Hon. Mr. Lloyd: And the Leader of the Opposition now says: "So it is." Mr. Speaker, there can be no question about it, these hon. gentlemen would sabotage and throw out the window or down the drain or whatever you want to call it, this entire plan of government insurance. They would subject the people of this province to higher insurance rates in the whole field of insurance, not just in terms of automobile accident insurance, but all the rest of the insurance too. They would add to the costs of the operation of the farmers, and industry and everybody else, to the tune of millions of dollars by turning back insurance untrammelled and free to the private insurance companies. That is the kind of dividends we would get.

With regard to rule in electrification he wasn't quite so eager here, I take it, Mr. Speaker, to compare it with all of the other provinces. He didn't, for example, say what the Province of Alberta which supposedly has gained so much as a result of the great industrial boom in that province, what the farmers have to pay there for their rural electrification. We know that they will pay \$1,000 and more in order to get power brought into their farms. He suggested that the Power Corporation is making a large, unseemly and unworthy profit out of the operation of its rural electrification programme. That, of course, is far from being the truth.

And again, he suggested that there was some danger in the Government monopoly with regard to power and gas. That raises some very real questions. It raises something else on which we ought to know the real stand of the Liberal Opposition, because we cannot help but remember again that position with regard to power in this province in 1944. I say we cannot overlook the pattern which they have allowed to develop, in which so far as

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any of us know they had no intention of changing. And we cannot overlook statements like those made by the Leader of the Opposition speaking in Saskatoon, as reported in the 'Star-Phoenix' of Friday, March 2, when he pointed out that:

"One of the reasons why we were not getting industrialization in Saskatchewan, was the high cost of power due to Government monopoly."

I suggest again that we have no assurance from what the Liberal party has said that they are going to continue the operation of the Power Corporation as a wholly and completely publicly-owned enterprise.

Mr. Danielson (Arm River): Who started it?

Mr. Speaker: Order!

Hon. Mr. Lloyd: Yes, the Liberals started it, in a half-hearted sort of way. They never got around to doing very much about it, Mr. Speaker, and perhaps they would return it to the same sort of thing at which they left it at in 1944, half and half the kind of system which could not possibly ever hope to the provision of cheap power in this province, which could not ever possibly hope to serve our scattered rural population.

The Resolution of the Liberal party with regard to automobile accident insurance, I now have in my hands. It says this:

"That the present compulsory automobile insurance be abolished, and that all motorists be required to carry insurance covering property damage and public liability which they may obtain from the Saskatchewan Government Insurance Office, or any private company of their own choice."

I want also, Mr. Speaker, for the benefit of the gentlemen who are so interested in industrial development and in resource development in the province to give one more reason why we haven't been able to proceed faster and more effectively than we have. They have done considerable talking about the forest industry from time to time, and I want to read a statement from the Saskatchewan Reconstruction Council. They reported in August of 1944 (most of the work, of course, had begun prior to that time). This statement, as I recall it, was one which was contained in the submission of the Premier of the Province of that period. Here is a statement about our forests at that date:

"If the present rate of consumption of timber continues virgin and mature stands of white spruce and fir suitable for saw-lumber will be exhausted in 10 years."

That was in 1944, and after years of exploitation of those valuable resources of ours, our forests, under the direction of the Liberal government in Saskatchewan we found that the rate of consumption has been

such that our commercial stands of white spruce and fir suitable for saw-lumber would be exhausted in a period of 10 years. Thanks, Mr. Speaker, to policies developed by the present Government, of protection from fire, proper utilization and conservation, we now have established a substantial forest industry, on a sustained yield basis. We would not have had that had this Liberal policy been continued.

I want now to turn to some further review of the matters in the Budget, as they affect the Government and more particularly the Department of Education. I return for a while to the matter of school grants. Since, 1952, counting the increases of this year, our school grants have increased by approximately 50 per cent. The year 1952, Mr. Speaker, you will remember was the year in which the Public Revenue Tax was diverted into education funds. It was diverted so that it could be added to school grants. It was taken off, of course, entirely, in 1953, but the amount of increase of school grants was retained. Our school grants this year will amount to approximately \$12½ million. When I say school grants, I am including money that we spend in northern Saskatchewan, in which area we pay the complete educational bill, with the exception of some very minor expenditures – \$12½ million or about 72 per cent of the expenditure of the Department of Education on revenue account.

The greater portion of the increase is to be found in Vote 21, Sub-Vote 6 to be specific, and amounts to \$1,700,000. Of this amount some \$700,000 will be required to pay to the school districts the grants under formulas presently in existence. Because of the increases in the number of rooms, changes in assessments, changes in the building programme, it will take about \$700,000 to meet the costs on the basis of the present programme. That leaves us then \$1 million to distribute by virtue of some change in the formula. Our present grants are based on several considerations. There is a grant per teacher per day, which presumably helps to take care of some of the fixed overhead. There are substantial amounts of equalization grants. They are conveyance grants. There are building grants, there are equipment grants, and some other small grants.

There are a number of problems associated with the decision as to how to distribute additional money. The question is sometimes raised as to whether or not assessment is the best bases on which to determine the division. While I will admit that it is not a perfect division, it is certainly the best basis of which we know at the present. I was interested to read recently that during months just passed, the Government of Manitoba, had had a Committee consisting of several Cabinet Ministers, some trustees and some teachers, examining this question as well. They came to the same conclusion, and while it is not a perfect basis, it is the best guide that we have at the moment. There is a question as to how much of the grants should be on a flat basis going to all districts, and how much should be on an equalization basis. Sometimes the point is raised that you can pay too much on an equalization basis, pay too big a percentage of the cost of an area. I suggest that the real measurement here is not in how much the Department or the Government pays, but rather in the effort which is left for the districts to make out of its own local resources.

There is sometimes the question raised as to whether we should pay more for high schools, or more for elementary. In the end, so far as the taxpayer is concerned in the district, it really doesn't matter, of course,

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whether the grants are increased by way of more high school grants, or by way of more elementary school grants. The question is raised as to whether we should increase the grants for capital purposes, or whether we should increase them for operational purposes. The teachers of the province will argue that a percentage of the grants should be based on the qualifications of the teachers employed by any particular board.

These are just some of the factors which have to be studied when we are discussing making decisions about grants. Our conclusion this year was that a more accurate way of sharing fixed costs was rather than to add to the per teacher per day grant, to add a new factor in the form of a per pupil per year grant. The schools which have a high enrollment do have some additional costs as compared to schools with a smaller enrollment. Where the enrollment is smaller we do pay by way of conveyance grants something toward the cost of getting those youngsters together in one point, and the pupil grant does seem to merit some recognition. This is the first time in Saskatchewan, as hon. members will recognize, that we have used this basis. We proposed this year then, to pay an amount which will approximate \$3 per pupil per year. This will go to all operating classrooms. Actually when the legislation is brought down, it will likely state \$3.50 per day of pupil in average enrollment. But, the easiest way to estimate how it will affect the district would be to figure on \$3 per pupil per year.

This will take up something like \$550,000 of the proposed increase. The remaining \$412,000 will go into equalization grants. That leaves, not specifically allocated, some \$38,000. It is impossible to estimate accurately, of course, the changes in the programme which affect costs 12 months hence, so \$38,000 is not a large amount to have left over. I should add to this, that the per pupil grant is not a factor, as is the teacher per classroom grant in calculating the equalization grants.

I turn now as to how these changes will operate. First of all, every district will receive the proceeds of the per pupil grant. Secondly, those school areas operating 50 or more classrooms, that is all of the Larger School Units, and the urban centres operating 50 or more classrooms. Their 1955 grant structure was this: a levy of 15 mills on their rural assessments, and 19½ mills on their urban assessments, would produce money to finance the following programme: For each elementary classroom \$3,040, for each high school classroom \$3,240, and for each conveying classroom \$1,650. In addition, they received capital and repair grants if earned. This year's formula is as follows: If an area levy is 16 mills on rural assessments, and 20½ mills on urban assessments, this together with grants will provide money to operate on a basis of \$3,200 per elementary classroom, \$3,400 per high school classroom, \$1,800 for each conveying classroom. In addition, of course, they will receive a capitol grant as earned, and will, in addition, receive the proceeds of the per pupil grant. This situation is this then, I repeat, that a levy of 16 mills on rural assessments, and I let me have 20; mills on their urban assessment plus the grants, will give them the money equal to a cost calculated as follows: For an elementary classroom \$3,200, for a high school classroom \$3,400, for a conveying classroom \$1,800. If costs are above that then that full cost, of course, is met by an increase in the mill rate over and above those rates mentioned.

This change in the equalization grant formula brings in for equalization grant payments only one area not previously receiving an

equalization grant, and that one is the city of North Battleford. I should point out that the increase in the mill rates which we use in calculating the equalization grant formula have an effect of weighing more heavily the factor of need. The increase of equalization grants in units will vary from \$2,000 to \$16,000; in cities the greatest increase in equalization grant is earned by the City of Moose Jaw, and it will approximate there some \$9,000.

I turn now to the other school areas in the province, that is the non-unit areas, and the urban areas, operating less than 50 classrooms. In 1955, they received a grant of \$600 per elementary room, and \$800 per high school room, and up to \$1,150 for a vocational high school room. They received in addition an equalization grant, and this equalization grant was calculated in this way – the difference between the average assessment per classroom and a certain ceiling figure, multiplied by 14 mills. And, of course, they received, I should add, Mr. Speaker, capital grants as earned. The change in 1956 will be this: They will receive the same per diem grants. They will receive an equalization grant based on the difference between assessment per classroom and the same ceiling multiplied, not by 14, but by 15 mills. They will receive the per pupil grant, and they will receive capital grants as earned.

The value of the combined increase in equalization and per-pupil grants to some areas will not be very considerable. In others it will be up to an amount which could be realized by three mills of taxation. It will be effective as at January 1st, 1956. The major increases in the operating budgets of school boards will likely come from increases in teachers' salaries. These increases not effective until the fall, they are effective for a period of four months of the year, and the grant increases for the full period of a year.

The Provincial Treasurer in his address enumerated additional assistance by way of loans, and the willingness to purchase up to \$1 million of school debentures. May I say that we have already purchased or loaned something in the neighborhood of \$6 million for this purpose. The repayment from these goes back into the education fund, or the school lands fund as the case may be, and hence it is in reality a type of revolving door plan for assisting with school building construction.

I welcome to, a further statement on the part of the Provincial Treasurer, on page 17, that "it is our firm intention to continue to accord the highest priority possible to the educational needs of the Province." That raises the question, and it was raised indirectly by the member for Maple Creek when he spoke, as to whether or not this is a proper share of the provincial budget to be devoted to education. The total estimate the Provincial Treasurer said the other day, "is that this is very close to 20 per cent of the revenue budget." May I just say this that there is in the Government certain revenue which might be called dedicated revenue, so far as expenditure on education is concerned. The interest on school lands trust fund, the revenue from school lands under the lease, two-thirds of the education and hospitalization tax, certain departmental fees and charges, and some money from the Federal Government. The Federal Government's contribution this year, Mr. Speaker, will total the whole of \$224,000. All of those items I mentioned will produce in the neighborhood of \$13¼ million.

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The expenditure of the Department of Education is \$17 1/2 million, so that some \$4 1/4 million must come from other government revenues. And again, one can contrast this with the previous government in office, when monies from these sources paid the total educational bill, and left a surplus in addition. We have for several years been taking some money from other sources to meet our educational costs.

I think if we are going to be honest about this, we need to remind ourselves that if there is going to be more for education, it must come by decreasing expenditures for other services, or it must come from increasing taxation. Presumably, it would be possible to decrease expenditures on health, or social welfare, to decrease assistance to market roads, or to the agricultural industry, or to one of the other necessary services. I don't find the members of the Opposition suggesting which of these should be decreased. Governments must make choices; and again, I want to emphasize that the only way to measure the weight of local taxation is by taking it in its total form, not taking one part of it. If I buy a house and a lot, and pay for them separately, Mr. Speaker, and get the house much cheaper than my neighbor, but pay much more for the lot, I am not necessarily making a better deal. One must look at the total picture with regard to municipal taxes, and I have already done that this afternoon. We must remember this, too, that the ability of people to pay the local taxation is certainly determined in part by the health of those people. The ability of the municipality to carry education costs is determined in part by the extent to which they have to carry social welfare problems. And the Provincial Government in this province, does pay some 70 per cent over of social welfare costs in the province.

Service to the agricultural industry most certainly does improve the tax paying ability of the province. I read in a quotation from the Melville paper in the 'Leader Post' just the other day, the comments of the editor there with regard to a soil survey, which had been undertaken, and his comment as to the great value. All of these kind of activities carried out are important in establishing a better tax basis. Certainly natural resources development has to be something on which money is spent if we are going to have more money from those sources in the future.

I want to add at this time, too, Mr. Speaker, that this Government, this political movement across Canada, will continue to say to the Federal Government, that there is a responsibility there for some greater degree of assistance in the field of education; to see that, whether a youngster lives in the Maritime Provinces or on the prairies, he has the full opportunity to which he, as a Canadian citizen, ought to be entitled. Only the Federal Government can provide the kind of financial framework which is going to guarantee that to Canadian citizens.

The case for federal aid, which I am not going to elaborate on this afternoon is still good. I was pleased to notice that two of the newly-appointed senators at Ottawa have recently made very fine addresses to the senate on this very fine subject. I was interested to notice that President Eisenhower again this year sent a message to Congress, asking for substantial federal support in regard to assisting a school construction programme. I want to read two references to this matter, (Federal aid) which

were made by the Premier in his submission to the Federal-Provincial Conference on October 3rd. On page 8, he said this:

"Because our major cause of a municipal capital problem is the need to accommodate post-war upsurge in school population, the Federal Government should initiate a programme of capital grants for school construction, with matching grants from provincial authorities owing the pattern and precedent of hospital construction grants".

And, later on, under the necessity as special conferences, said:

"Dependent upon the outcome of our current discussions in regard to fiscal relations, it may prove necessary to ask for a special conference to discuss the issue of Federal support for the provinces in financial education."

Reference was made to the great White House Conference convened by President Eisenhower in the United States of America not so very long ago, at which people of all walks of life got together, to really try to think through the problems of education. It is important, I think, that on an occasion like this we look at some of the happenings in our educational system. I don't think anyone will disagree with me when I say that the most important factor in determining whether or not we have a successful school system is the character, and quality and training in the province of Saskatchewan. I have here a copy of the 'Farm Forum Guide', published on October 31, 1955, and in this they provide a summary of the qualifications of teachers in one-room rural schools across Canada. This is for the year it 1952-53 - the latest year for which figures would be available at that time. And I think all members of the House will be pleased at the nature of their findings, because they point out to begin with, that in Saskatchewan, we had the highest percentage of teachers with a first-class certificate or better, of any province in Canada employed in our one room rural schools. We had 67 per cent, compared with Manitoba 46, Alberta 43, British Columbia 57. We had the lowest percentage of second-class teachers in our rural schools in this province. In regard to those with certificates somewhat inferior to a second-class, temporary study supervisors, and so on, we had a larger percentage than British Columbia or Ontario, but we still had a smaller percentage of this sub-standard type of certificate than either Alberta or Manitoba, or most of the rest of the Canadian provinces.

Secondly, I want to have a reference to a statement made by the Canadian Teachers' Federation in a research report published in the 'Alberta Teachers' Association Magazine' December, 1955. They point out that in regard to the teachers' salaries, there has been an increase in average salaries in the province of Saskatchewan over a period of five years of \$1,000 per year on the average. Our average salary was the fourth highest average in Canada, at a time when our per capita income was the fourth highest, also, among the Canadian provinces. With regard to the percentage of all of teachers with better than a first-class certificate, Saskatchewan was second only to British Columbia; Ontario third; you had to go to fifth or sixth place before you could

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find a province with the Liberal government at that time.

They also commented on the fact that fewer teachers were leaving the province, and more teachers from other provinces transferring their certificates to Saskatchewan. We can look at it this way, during the last ten years teachers with university degrees in the province of Saskatchewan have approximately doubled. Those with two years of education after grade XII those with sub-standard qualifications decreased by approximately 1,000. The teachers of the province are making a very commendable effort to improve their qualifications, and the trustees are encouraging them to do so.

We have, at this time, approximately 1,000 students in our teacher-training institutions, - our teacher-training colleges at Moose Jaw and Saskatoon, and the College of Education at the University of Saskatchewan. That is an increase in enrollment of some 40 per cent in a period of five years. It is also this, Mr. Speaker; it is the largest number ever enrolled in the province in a course providing at its conclusion a certificate of the level to which those now there will be receiving. We have had greater numbers and totals back in the days when we enrolled people for second-class and third-class certificates, and enrolled some for two weeks, four weeks and six weeks, but this is the largest we have ever had in this kind of program.

It can be safely said, that improved salaries, greatly improved teachers' superannuation, better working conditions, combined with greater dignity, which has been given, or achieved by the teaching profession, has made it a much more desirable occupation in the eyes of many of our young people. It can be said, Mr. Speaker, that never before in the history of this province, have so many Saskatchewan children being taught by teachers as well qualified as at present. Having said that, let us be reminded that we can hardly be satisfied. We still have some overcrowded classrooms. We will have more classrooms in the future. We will need, and we do need, more people with special training.

Since last year in this province, before a teacher can get a permanent certificate he or she must have at least two years of training after Grade XII. Only one of these years is given at our Teachers' College; the other must be taken at the University. That means there is a very considerable need for integration between the work of the Teachers' Colleges, and the University. This is partly taken care of by our advisory committees, and with the University and the Department, and Teachers and Trustees - these are all represented, but not adequately. So this situation, plus the increased numbers coming in, indicates the need for consideration of ways and means of getting better integration between the University and the Department.

I should like to make it very definite, Mr. Speaker, that both the Department and the University have a contribution to make. In the final analysis, I suggest a Department of Education under a system of responsible government cannot avoid responsibility in the field of teacher training. The preparation of people for the teaching profession is different in that sense from the preparation of people to be scientists, or engineers, or lawyers, or agronomists, or doctors. I do not think it is proper or possible for the Department to abrogate its complete responsibility. As a result of this, after discussions with the University, and the teachers and

trustees, I announced it to a staff meeting of superintendents of schools and teachers' college staff in January of this year, that we were going to appoint a committee to examine thoroughly the structure of teacher education in the province, and the possibilities of altering the structure in the future. The committee will be made up of representatives of the University, the Department, the teachers and the trustees. They will study the possibility of varying degrees of integration between University teacher-training activities, and Department of Education training activities. They will study the patterns being developed in other western provinces. I would just like to add that in none of those provinces has teacher-education been handed over completely to the University.

In the field of school building - just a brief report. In 1954 some 400 new classrooms, approximately, were built; in 1955 some 300 new classrooms were built. That is just the number of classrooms to which should be added shop facilities, science labs., libraries, in some cases auditorium gymnasiums, and quite a number of teacherages. It does include two new composite schools in the province. I should like to say that the financing of extensions to composite schools, and the financing of composite schools in areas not presently served, would be greatly eased, if we could get a new agreement with regard to technical education from the Federal Government.

One of the developments taking place in the province which needs looking at is what is happening in the field of transportation. In 1956, that is, right now, the spring term, there are approximately 570 routes being operated, bringing youngsters to school in the various parts of the province. These routes served over 1,200 districts. It is estimated that by the development of these routes we have saved our 500 teachers. The pupils conveyed are roughly 16,000, with about 4,000 of them being high school pupils. Our School Units owned some 650 vehicles; buses, paneled trucks, and bombadiers. The contract for the use of 329 vehicles. Sometimes it is helpful, instead of looking at the provincial picture, to see what is going on in specific areas. I want to refer briefly to a report put out by the Outlook School Unit, which they entitle 'Decade of Progress - 1945-55'. They report there on what they call 'systematic convenience'. They tell of the bus routes originally established on a two-year trial period; they report that in May they held a ballot on each route which had been in operation for at least two years - all the resident ratepayers and all the parents were allowed to vote. The results of the ballot were that 224 voted for the routes, and only 40 voted against them. It is interesting to note that of that 40, 18 were all in one particular point. They operate some 17 routes; their school buses bring about one third of their population to school area

Perhaps I may take a minute to indicate, since this is such an important development in the province, what they think are the advantages of systematic conveyance. The children make better progress, they say; there is more opportunity for social adjustment in larger groups. Children get high school education, and still live at home. There are more opportunities for play and sports; better qualified teachers; fewer centres so they can be better equipped; helps solve the teacher-shortage problem. No. 9 - "experience has shown the attendance better when children are conveyed by bus than it is at local schools." Children are under supervision in well-heated vehicles to and from school.

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It is realized that this very rapid development in school transportation has posed some problems with regard to the municipal road situation. It is good to report a very considerable amount of co-operation between the two bodies. This, I am sure, will continue and I am sure everybody will realize the greatly improved opportunities which can be brought to our rural youngsters, particularly the high-school youngsters in this way. Certainly school authorities and parents will, along with municipal officials, welcome the announcement of the Provincial Treasurer that the budget provides \$1 million in support of the municipal road grid system, and that if more than \$1 million is needed, more than \$1 million will be found. The present winter has, of course, put a great strain on transportation systems. I suggest it is not to be expected that with conditions such as we have had, regular attendance in the best sense of the word, could be continued. In a year when railways, even highway systems have had great difficulty in operation, naturally these systems have, too

I have not complete statistics on attendance, but perhaps these two will indicate something of the situation. The Radville Unit has kept information with regard to 13 of the 20 roads operating. They indicate that the attendance of high schools and elementary schools in the fall term before Christmas, was 90.84 per cent. That is, of course, very good. Going to Prince Albert, we find the picture not quite as satisfactory. They operate their four rural central schools. One of these was not open for 14 days during the fall term. It was open, however, over 80 per cent of the time. One lost 10 days, another lost eight days, one that lost two days. I want to add this, that there will be many, of course, local rural schools closed for a considerable amount of time with conditions such as we have had. I want to add secondly, that there can be little doubt that over a period of time, the attendance of those going by buses, according to our experience, will be better. Certainly, even if it isn't better, the actual educational achievement at the end of two or three or four years will definitely be better.

May I take just a few minutes to indicate what is happening with regard to high school enrollment in the province. We have need to be concerned with regard to the fact that more of our students do not complete high school. In the province as a whole, 18.38 per cent of the elementary school population was represented in our high schools last year. One wouldn't expect 100 per cent, of course, because there were only four grades as against eight in the elementary school. In the non-unit areas, including the cities, 19.79 per cent; in the unit areas, 17.45 per cent. But, if you consider that there were over 2,000 students on the units in attendance in non-units, and make the proper adjustments, it works out that in the non-unit areas, including the cities, the high school population was 17.4 per cent of the public school population; in the units, the high school population was 18.9 per cent of the public school population.

There are one or two other agencies for which I have responsibility, and which have been referred to in the budget. Reference was made to the development of a new research council building. May I say here that we have a full-time director of research in the person of Dr. Warren, who previously served with the Federal Government Mines Branch, of the Department of Mines and Technical Surveys for some years, and more recently Director of Research and Development for the North American Cyanamid Company at Niagara Falls.

The budgets and the estimates reveal two things: first, the

plans for the Research Council building on the campus of the University; secondly, that work presently being carried on by the Department of Mineral Resources in its industrial minerals laboratory will be, after the beginning of the fiscal year, under the supervision of the Research Council. This, Mr. Speaker, serves to indicate the increasing emphasis which this Government has given to the scientific research, which in turn serves to indicate our awareness as to the potential of our natural resources.

We have had projects with regard to wood and coal, and uranium, lubrication, detergents and many others. I want to assure the House that we do not duplicate the work of the National Research Council. We are fortunate in having excellent advice, and co-operation from the University in all ways, and all of us will look forward to increased activity in the field of research.

The field of libraries, just to be very brief in commenting here, too, show an increase in use being made of our book services. In the public information library division in 1945 there were some 24,800 books borrowed; in 1955 over 60,000 - almost 62,000 books borrowed. Nearly 10,000 people borrowed books from this branch of our library. There were over 764 boxes of books circulated in the travelling library; we have seen a gratifying increase in the number of public libraries.

I notice, Mr. Speaker, the time is getting on, but I wish to make some reference to an organization which perhaps isn't frequently noticed in which is, I think, very important, namely the Archives Board. I wanted to mention the fact that (this happens so frequently, that it is worth mentioning) the other evening, February 27th, the 'Leader Post' ran a very complimentary article about this agency, and that in itself, I think, makes it worthwhile mentioning. Let it not be thought, Mr. Speaker, that the total concern of the Archives Board is with Government records only, or with formally prepared and preserve public documents. Governments are to a very considerable extent the reflection of people; history is made, not just by the writing of the statutes or the operation of programmes of state. History is made and written by countless communities and organizations, and the individuals that make them up. Consequently, it is incumbent on an organization like the Archives Board, one which is charged with the responsibility of helping people to believe in the past, believe in the future, and above all, in the capacity of its own people, to be concerned with the whole story of all the people, as much as possible.

We must also bear in mind this, in recording our history. We said in one of our reports to the Legislature, and I quote:

"The concept that the only valuable records are those which tell of cyclones, rebellions, floods, hanging, first things, oldest things, biggest things, is not valid in the face of history. Such a concept that the striking, sensational events are the only important, or were the only important ones, denies there is significance and words in the life and labor of the mass of man-kind."

So the Archives Board has concerned itself with this field of history as well. We have concerned ourselves with trying to interest other people in the

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preservation of the study of our history. The hon. members of the Legislature received, I believe, the little magazine 'Saskatchewan History', and I hope they enjoy it. We have microfilmed many weekly newspapers in the public library, and in the Archives Branch. It has been our aim to contribute to the proper preservation of records, and to provide scholarly, readable material, and to increase public understanding and support. I think this small agency will make a contribution much larger than is apparent to many of us, in helping people so to learn from the past, that they can gain judgment in creating their own future.

Mr. Speaker, as the hon. member for Maple Creek pointed out, this is the 12th budget presented on behalf of the present Government by the present Provincial Treasurer. Each of these budgets has had a character of its own, in that each one has had something different. Certainly, each one has had some of the same characteristics. All have been budgets of confidence; all have been budgets larger than the one preceding, Mr. Speaker, indicating the growing developments in the province; indicating growing services in the province. Particularly each of them has indicated on the part of the Provincial Treasurer, a most excellent mastery of his problems is Provincial Treasurer. They set forth a story of the past, which shows that this Government has performed, as is promised. It sets forth a promise for the future. Because of that kind of a record; because of this budget in the hands of a competent Provincial Treasurer, as it is, I will support it.

Mr. A. P. Brown (Melville): - Mr. Speaker, I beg leave to adjourn the debate.

(Debate adjourned)

The Assembly then adjourned at 5:30 o'clock p.m.