

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Fourth Session – Twelfth Legislature**  
**21st Day**

Thursday, March 8, 1956

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

On the Orders of the Day:

**Budget Debate**

The House resumed, from Wednesday, March 7, 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. P. Brown (Melville):** — Mr. Speaker, I am going to try and establish a record of some sort in the Legislature for this session. I am going to try and refrain from adding any more grey hairs to the head of the very much-liked, and very respected member from Kelvington (Mr. Howe), who is the Whip on this side of the House and whose duty it is to try and keep the speaker within their allotted speaking time. I want to assure him that he can relax for the next 20, or at the most, 25 minutes.

With this in mind, it doesn't leave me a great deal of opportunity to pay any flowery compliments to anyone, other than to congratulate the Provincial Treasurer for once again balancing the budget of the previous year, representing a budget this year which is in keeping with the developing and expanding economic growth that we have in Saskatchewan today.

I also want to congratulate the member for Maple Creek (Mr. Cameron) on his very unenviable position as financial critic on the other side of the House. I want to congratulate him, too, for other performances at various times during the session.

Mr. Speaker, before coming into the Legislature, I used to follow the speeches made by the Opposition members in the daily papers. I used to read the headings of these members' speeches with some concern. They usually went along the lines of 'Opposition Member Blasts Government' for some particular policy, or 'Member From Rosthern' or 'Member From Moosomin Levels A Blistering Attack Against The Government', indicating that they had practically blasted the Government right out of the Legislative Chamber.

Since having the opportunity of sitting in the Legislature, and meeting the members opposite, and finding them very mild-mannered, and very friendly gentlemen, and also their speeches very mild-mannered and for the most part innocuous, but still reading the same startling headlines in the papers, still indicating that they have particularly levelled this Government with blasts coming from this Legislative Chamber, always comes to me as somewhat of a surprise. However, in this respect the member for Maple Creek must be indeed a great source of delight to the editor and

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staff-writers of the paper, in that he does justify to some extent these particular types of headlines; does justify, I think to some extent the use of some of the flowery adjectives that the papers do use. I would suggest, however, that there are other adjectives that could be used very appropriately - adjectives such as 'vitriolic' and 'abusive', and the like.

After the speech by the member from Maple Creek yesterday, we had of course, the very devastating answers made by the Minister of Education (Hon. Mr. Lloyd), and if he missed anything yesterday afternoon, we have the very dynamic Minister of Telephones (Hon. Mr. Kuziak), coming on after I am through, and I do not feel that I am qualified to compete with these gentlemen in that respect. Anything I might say in the way of criticism, I think, will be fairly ineffectual.

Referring to the budget, I again want to say that the people of Saskatchewan, after reading this budget and after hearing the budget presented by the Provincial Treasurer, must realize that the affairs of our province are indeed in very good hands. All of us are well aware of the fact that our agricultural economy has been in a severe decline in the last three years. They are also well aware of the fact that agriculture is our primary industry in this province, and that it governs to a large extent, the well-being of all of us, no matter what particular business we happen to be in.

Certainly then, it is remarkable that in spite of the two drastic declines that we have just had, the Provincial Treasurer is able to introduce the largest budget of Saskatchewan's history. It not only speaks well of the financial ability of the Treasurer, but it shows that the economy of Saskatchewan is on an ever-widening economic base, and that today Saskatchewan we are not so susceptible to the fluctuations of agriculture. We are fortunate, as members of this Government, in being able to go to the people in this province, and to show them that we are keeping the promises that we made to them some a few years back; promises that we made in respect to the amount of money that we were going to spend on roads; the number of farm homes that we were going to electrify; the fact that there will be more aid for education and social welfare, and an extension of the services that the people of Saskatchewan are demanding today. I say we can only do this by having a well-planned, sufficiently large budget to meet these demands. The type of budget which was brought in by the Provincial Treasurer last Monday provides for this.

Mr. Speaker, I have one particular topic which I want to discuss briefly this afternoon. It is a topic that has been discussed to a large extent in this Legislature, and that has to do with the assistance to municipalities. I think it is fitting that a good deal of discussion should be carried on on this particular subject, because there is no doubt that municipal taxation, and the difficulties that are facing municipalities, are questions of prime importance to the people of Saskatchewan, and are certainly very important to this Government.

Since Confederation the burden on municipalities has been growing - we all know that. Greatly changing times and conditions have brought to local governments new and greater problems. New needs have steadily risen and the task of meeting these needs has been shouldered by the local authorities. During the past 20 or 25 years we have had a depression, we have had a war, we have had the following post-war period, and now we have the

present period of inflation. Municipal responsibilities have been altered tremendously by the rising cost of education, by the lack of housing, by demand for more hospital accommodation and other social services, and the necessity for all-weather roads, and for greater traffic facilities. In this respect, Mr. Speaker, I believe it is not enough to just discuss how much a Government can assist by way of grants, and by way of other financial assistance from year to year, or from one particular type of government to another. I believe the time has come to assess the difficulties that face municipal governments, and get to the root of the problem on a more permanent basis.

Mr. Speaker, in the limited time at my disposal I do not intend to go into a detailed account of the assistance that this Government has provided municipalities. We on this side of the House have made every effort to show that we, as a Provincial Government, have accepted our responsibilities in this respect. Much has been said in our defense. Cancellation of the seed and relief debts; the return of the Public Revenue Tax, and the fact that we have set the pace for general health, mental health, hospital grants, medical and hospital services to persons receiving such public assistance as old-age and blind pensions, and mothers' allowance.

It has also been established that we have set up a provincial security scheme such as our hospitalization scheme, which has saved the municipalities thousands of dollars in caring for indigent causes. Figures have been produced by comparison showing the favorable relation of our taxes, as compared with Manitoba, and the favorable comparison between Saskatchewan and Alberta. Some very potent figures were also introduced a while back by the member from Melfort-Tisdale (Mr. C.G. Willis), I believe, showing the tremendous increase that this Government has provided in the way of marketing road grants.

I believe, Mr. Speaker, that the crucial point in this whole problem, the basis on which we must look at this problem, and false some definite factors. First, I have mentioned the ever-increasing responsibilities that have been assumed by the municipalities during the past 20 or 30 years. Along with that goes the tremendous increase in capital expenditures involving every municipality. The town in which I live - the town of Melville, which is in the Melville constituency, of course, has at present some terrific capital expenditures, involving a new school, extension of sewer and water facilities, the piping in of the new water supply from some two miles south of the town - projects that will stretch the taxing capacity of that community to the limit.

The same holds true, I believe, in a good many towns, in the municipalities throughout my constituency. It has been estimated that capital expenditures in regard to the three governments have increased three times to the Federal Government, five times to Municipal Governments, and six times to Provincial Governments. We must take a look, Mr. Speaker, at what I believe is the crucial point in this whole problem - that is, the division of revenue which goes to the Federal Government; the division of revenue that goes to the Provincial Governments, and the division of revenue that goes to Municipal Governments throughout Canada. I have been warned by a number of the constituents in my constituency that they do not want to hear me quote a lot

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of figures or give a lot of statistics in any speech that I might give in the Legislature. They claim they have already reached the saturation point, in that respect.

But I believe it is necessary to quote just a few. There has an extraordinary change taking place in tax revenue. For example, a survey of public finance for the period 1930 to 1948 was made by Mr. George S. Mooney, the Executive Director of the Canadian Federation of Mayors and Municipalities. He demonstrates that since 1930 the revenue of the Federal Government has increased three-fold, while the revenues of all municipal governments have increased only one-half fold. In terms of the 1930 dollar, purchasing power of all municipalities has increased by one-third, while that of all provincial governments has doubled, and that of the Federal Government has quadrupled.

From the Dominion Bureau of Statistics figures which I have for 1953, estimating the total revenue received by the various governments, it is estimated that in 1953 the Federal Government obtained some \$4,500,000,000 by taxation within Canada. The Provincial governments obtained some \$1,400,000,000; that is, the 10 provincial governments across Canada. The rural municipalities, the hamlets, towns and villages and cities in Canada, altogether, obtained some \$933 million. Taking those calculations percentage-wise, it shows that the percentage of the tax revenue dollar now going to the Federal Government is some 67 per cent; the amount going to the provincial governments, 20 per cent; and the amount going to municipalities only some 13 per cent.

Mr. Speaker, I think it is quite apparent from these figures that this has something to do with the problems pertaining to municipal finance; the fact that municipalities have a very limited tax source; the property tax, and the fact that the ability of real estate to bear taxation is definitely limited. The Federal Government has ample sources of revenue, having assumed the giant's share of the revenue. Right across Canada, in any city or municipality the critical problem is the fact that municipalities are finding it impossible to collect sufficient money to give their people adequate services. Over the week-end while I was home and I had a constituent of mine phone me and complain very bitterly about the fact that so much time was taken up in this session discussing disposal of our surplus grain. He admitted it was a very serious situation, and a subject that should be discussed, but he said it did not apply to him, and did not apply to a number of his neighbours, who for the past three years have had no grain to market. He also complained about the fact that a lot of discussion went on about all-weather roads, Trans-Canada highways, when he was living in a particular part that had been flooded for the last two or three years, and he had had difficulty in getting out to his business area.

I suggested to him that the Provincial Government had provided assistance in many ways, and I tried to give a detailed account of the assistance which has been given in his municipality. I also suggested that a good part of his problems and his neighbours' problems would be greatly relieved by a readjustment of the tax revenues, and the reallocating of the revenues of the whole nation.

As I was saying, the municipalities are finding it impossible to

collect sufficient money to give their people adequate services. I believe it is demonstrated by looking at the public buildings in any of the larger centres in Canada - federal buildings and provincial buildings, in most instances are in fair condition. They are reasonably modern and provide efficient service. To take a look at all the public buildings owned by the municipalities, most of the town halls and fire halls are in such a dilapidated condition and in need of repair and in the main part inadequate to meet the needs of the people of that particular community.

Mr. Speaker, as I said before, we can debate this issue of municipal assistance at some considerable length in this Legislature, as to the degree of assistance one particular type of government is prepared to give the municipality, but I believe the time has now come when real steps must be taken to reallocate the tax revenues of the nation. The Provincial Government is faced with these problems daily; there isn't a day goes by but what some municipal representatives argue and discuss their particular problems with the various heads of the government. I believe they are well aware of their problems. This week we have the S.A.R.M. Convention in Regina - the Saskatchewan Association of Rural Municipalities meeting and expressing their views in regard to municipal findings.

At the Dominion-Provincial Conference held at Ottawa last October, the Premier of Saskatchewan brought up this very vital subject. Looking through the proceedings of the Federal-Provincial conference, I believed he was the only Premier that brought up and discussed this subject to any extent. At this meeting he suggested, as a means of helping finance communities and municipalities, a revision of the Federal-Municipal Assistance Act to meet the needs of the municipalities in financing self-liquidating projects which they may have within their municipality. Also he expressed the urgency of reallocating some of the revenue in this country so that the municipalities may be able to discharge their very important responsibilities; so that they may be able, to some degree, to keep up with the rapid acceleration in their growth of capital requirements, so that the burden on real property of the homeowner or the farm-owner, does not increase to the point where it is impossible to pay.

The Leader of the Opposition (Mr. McDonald) urges a provincial-municipal conference, and suggests that this would make the province more aware of the problems. I think the budget as brought down Monday by the Provincial Treasurer, demonstrates that this Government is aware of the assistance that has to be given to municipalities. He lists in the budget address various items, such as \$12 million in grants to schools; grants for the market road grid, adding up in total to some \$14½ million for 1956 and 1957. By contrast, in 1943 and 1944, similar grants amounted to somewhere around \$3 million, which indicated that this Government has realized the assistance that has to be given to municipalities.

I believe it is urgent that the Federal Government began a more thorough study of this particular problem, that when important fiscal policy changes are being considered by the Federal Government, that before they give too many concessions in tax relief to big corporations for example, that they first study the plight of the municipalities.

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We have today in Canada a rapidly expanding economy. If we are going to allow Canadians living in all parts of the country to have adequate services, and to provide revenues on a reasonable and a fair basis for all levels of government, it will be necessary to take steps to reallocate the revenue of the nation.

Mr. Speaker, in closing I want to say that all of these things, of course, take some planning, some imagination and some vision. I think we in the C.C.F. have demonstrated that we have these qualities, and it is to be hoped that the Premier of the province, along with the C.C.F. members at Ottawa can impress upon the Federal Government the urgency of having some of that vision, and some of that planning in regard to this increasingly growing problem. Mr. Speaker, I consider it a privilege to have the opportunity of supporting this budget.

**Hon. A. G. Kuziak (Minister of Telephones):** — Mr. Speaker, I want to say again that it is indeed a privilege for me to rise in his House in support of the budget. This is another budget brought down, I believe the twelfth, that is an expanding budget, and one that we are sure will, if continued on into the future, bring terrific development and industrialization of our province.

The financial critic (Mr. Cameron) - and it is too bad that he is not in the House today - yesterday through some fast and furious statements, and as usual, exaggerations. I remember that in 1953, when he made the remarks on the increase in telephone rates, he tried to convey to this House and the people of the province, that the rates were doubled, when actually, I had informed the House prior to that, that the increase was only 13 per cent. A year later it was proved when the Annual Report was tabled in the House. In fact, my 13 per cent was high; therefore he was out 87 per cent in his statement, and I say that he was more than 87 per cent out in speaking to this Assembly yesterday.

He made a statement, speaking on industrialization in Saskatchewan, that he did not want us to compare the development in the province of Saskatchewan from 1944 up to the present, under the C.C.F., with that of the Liberals prior to 1944, and of course, I don't blame him! Prior to 1944, we had a government that sat on its haunches and didn't move. Since 1944, you've had a government that believes in action, and in doing things. Then he says: "Let's compare it to Manitoba and Alberta, and take the period 1948 to 1952"; and he gave statistics on that. But why didn't he go ahead and take Manitoba and Alberta, and compare them with Saskatchewan in the years prior to 1944? He knows that any member in this House, and any citizen in the province of Saskatchewan, knows that Manitoba, particularly, and Alberta, have led Saskatchewan on down through the 1910's, the 1920's, the 1930's, and on into the 1940's. During 35 years of Liberal rule in this province, Manitoba was going ahead, Alberta was going ahead. Saskatchewan was stagnating then.

Why didn't he tell this House, for example, that when the Opposition financial critic was still in diapers back in 1910, Manitoba was developing hydro-electric power on the Winnipeg River? Why didn't he tell the House that Manitoba, prior to the first World War, had already three great foundries operating in Manitoba, and a great steel mill? What did Saskatchewan have?

**Mr. E. Walker (Gravelbourg):** —The Liberal Government.

**Hon. Mr. Kuziak:** — Why didn't he tell the House that in the 1920's, Manitoba was extending electrical power through the whole of the province? The Liberals in Saskatchewan didn't do anything. He talked about the pulp mill. Why didn't he inform the House that the pulp mill Manitoba has, was put up in 1924? Why didn't Saskatchewan have a pulp mill prior to 1944? Manitoba had one in 1924. The Liberals still ran this province 18 years after that, and no pulp mill. I assure you that it will not be too long before pulp mill is established in the province of Saskatchewan.

I can refer to oil development in Alberta. He compared Alberta. Why didn't he inform the House that Alberta was producing oil prior to 1914 - that on down through the '20's and '30's, Alberta was the greatest oil producer in the Dominion of Canada? Why didn't he tell the House that, prior to 1944, the Liberals in this province didn't produce enough oil to oil the old 'Jimmy' Gardiner machine so she would operate right? I want to say that Alberta had an oil industry, the greatest in Canada, long before Social Credit was even known anywhere in the Dominion of Canada.

Now, let's go back to Saskatchewan. Why didn't Saskatchewan have an industry of any kind prior to 1944? Any man with any common sense knows that before industry could be established in any country, in any province, you must have an abundance of electrical power and cheap electrical power. You must, by all means, have cheap fuel. May I ask in the province of Saskatchewan, prior to 1944, why weren't the Liberals doing something about power? In fact they took over the Saskatchewan Power Corporation sometime in 1928 or 1929. They bought it from private enterprise that was going broke. Therefore, they went to the aid of their friends, and that is the way they started the Saskatchewan Power Commission.

Manitoba started the expansion of power long before the first World War, and that is why they have industry established in Manitoba. So we go on to 1944. We can compare in industrialization in these provinces, if we want to, to a race. Manitoba was 100 miles ahead of us; Alberta in 1944 was roughly 75 miles ahead of us. Now we are in a race, and I'm going to tell you that we are catching up fast to both of them. You know they have the gall to talk about industrialization!

Let's go back to the World War. During the World War we had the Federal Government plow millions of dollars into manufacturing, into armament plants throughout the Dominion of Canada. In fact, they built factories, and after the war sold them for next to nothing to private enterprise. And where did they build them, Mr. Speaker? During the War we had a Liberal Government in Ottawa, and we had a Liberal Government right here in the province of Saskatchewan. Why didn't they get together and establish some of those war industries

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here in the province? But no, they were established in Montréal, in Ontario and Québec, and in Manitoba, British Columbia, but nothing in Saskatchewan under a Liberal Government. And now they say, "Elect us now and will do it."

Mr. Speaker, I always say that if you want to judge a man correctly, you must judge him by his actions, and not by his silly talk. Likewise, if you want to judge a government or political party, then judge that government or the political party by its actions, and not its promises. Oh, yes! I know they are going to promise. They are going to promise everything before they are through.

So the hon. leader of the Opposition in Ontario says "we missed the boat." Who missed the vote during the World War. . .

**Mr. McDonald:** — You.

**Hon. Mr. Kuziak:** — . . . when a Federal Liberal Government was establishing industry all over Canada, but not a thing in the province of Saskatchewan? In fact, I am going to tell you about an industry that at one time came into Regina. I haven't forgotten about it. I was taking normal school then in the city of Regina. In fact, that very same time I sat in the galleries of the Legislative Assembly and saw some of those members, particularly the 'dead-end boys', in action. We had an industry in Saskatchewan - General Motors; they established a plant right here in this city. I remember then it was operating, but it didn't operate very long. It closed up and away it went. Who scared it out? The C.C.F.? It closed up sometime during the late 1930's. And now they have the gall to talk about development and industrialization!

The financial critic tried to prove that the industrialization and the development in the province of Saskatchewan is not as great as we tried to impress upon the public, from this side of the House. I am one to give you, for example, the expansion in telephones. I believe that the expansion in telephones in any province, or in any country, is a barometer by which you can gauge whether there is development in that province, or in that country. I want to inform the House that we don't tie in telephone instruments on trees and poles. We install them into homes, into offices, into industries, and into mines; and, therefore, by the story told on the expansion of Saskatchewan Government Telephones, you can gauge the expansion and development within this province.

I'm going to give you some comparisons. For example, in Saskatchewan, prior to 1946, Saskatchewan Government Telephones owned 52,000 telephones. By 1955 this has jumped to 124,000 telephones, or an increase of 140 per cent.

Now, let us take Manitoba. Manitoba had, in 1946, 103,000 telephones. By 1955 they now have 182,000 telephones, an increase of over 80 per cent. Ours is 140 per cent. While Liberal Manitoba is travelling at the rate of 80 miles an hour, we're going at the rate of 140 miles an hour. I want to assure the House that that is the true barometer by which you can gauge industry.

**Mr. Danielson (Arm River):** — Are you sure you're going in the right direction?



**Hon. Mr. Kuziak:** — That's where you're going to go, my boy! I want now to give the other prairie province, Alberta - I want to be fair to the province of Alberta. In 1946, the number of telephones were 72,460; today it is 197,610 telephones. They are travelling at the rate of 170 miles an hour, a little better than Saskatchewan. I want to be fair. Let's give the true figures in this House. I believe that by giving the expansion of telephones, it is the barometer that shows the expansion and development within the province of Saskatchewan. As I stated a minute ago, we don't hang telephone instruments on trees; we install them in offices, in homes, on farms, in plants and in the mining industry. I stated a minute ago that, before you can have any development, any industrialization in any province, you must have plenty of electrical power and cheap power.

I want to state that the Liberals took over power in 1928 word 1929, and what did they do up until 1944? I don't have to give you the story; the people know it. I remember electioneering in my constituency, when Mr. Sandy Nicholson, the present member for Parliament, used to tell us this story that if we ever took over the province, we would take over the soft coal mines of southern Saskatchewan; would build high grid lines into the north, into Yorkton, into Canora, into Melville, into Preeceville, and bring electricity to that area, and to the farmers of the area.

Mr. Speaker, the Liberals really had a picnic! They ridiculed him. They laughed and said, "It is impossible. That would bankrupt the province." Mr. Speaker, we did exactly that within seven years after taking over power in the province in 1944, and by 1951, we had already taken over the soft coal mines, had already built power stations on the coal mines, had already built high grid lines into the north, and brought power, electricity and light to the area of Yorkton, Canora, and so on. The dream of the 'Sandy' Nicholson, the dream of a C.C.F.'er, became a fact and a reality in the space of only seven years.

Power expansion continued right on from 1944 up to the present time, and today, no matter where you may drive throughout the province, you will find high grid lines integrated in every section of Saskatchewan, and power capacity has been tremendously increased. For example, the investment in the Saskatchewan Power Corporation in 1944 was only \$7,700,000. Today, it is \$88 million, plowed into this corporation to bring abundance of electrical energy and cheap energy. And then the financial critic says the power rates are too high. But he did not inform the House that the power rates were more than twice as high in 1944; that in 1944, their maximum charge per kilowatt hour was 15 cents and the minimum was four cents.

Since 1944, we have put in five rate reductions in power. We have decreased the maximum from 15 cents to 8 cents, or practically cut in half, and the minimum charge from four cents per kilowatt hour to 1½ cents per kilowatt hour, or to one-third. They are again, may I inform the House that in the province of Saskatchewan, power and insurance are the only things that have been reduced. Every other commodity, and every other service has gone up and up and up. And so, with producing plenty of electrical energy in the province of Saskatchewan, with the development of natural gas, and bringing in natural gas, industry is now coming into the province of Saskatchewan.

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I can name you some of the industries that are in, and are coming in: a billion-dollar potash industry in the province; millions of dollars invested in the uranium mines at Uranium City, and two of the mines producing today; salt mine at Unity; sodium-sulphate production today in two Crown Corporation's plants; the building industry - we have break plant at Estevan; two light aggregate plants rising up just outside of Regina; a steel plant for the first time in the history of the province, coming up in the city; a transformer manufacturing plant is operating in the city; a wire and cable plant in formation in the city of Weyburn; a cement plant that will be built this year, and was opposed by the Liberals only a few days ago; a sewer pipe plant coming up in the city; oil industry booming throughout the province; the gas industry, and the terrific expansion in refineries throughout the province.

I would now like to say to the hon. Leader of the Opposition that Saskatchewan 'missed the boat' for 35 years, but Saskatchewan today is riding high on the industrial boat of Canada.

The financial critic too, spoke of population, but he didn't inform you that from 1935 and to 1946 - two years after we took office - the Liberals (and I blame it on the Liberals - you at least will give us two years to start doing things in the province); so from 1935 to 1946, the population of Saskatchewan dropped by over 100,000 people who left this province. Now what has happened since 1946? From 1946 to 1956 we have regained 72,000 of the population out of the 100,000 that those fellows opposite lost. These figures, Mr. Speaker, are taken out of the Federal Government statistics; in fact they negotiated the recent agreements on the population of Saskatchewan as being 905,000 people.

Going now to the budget debate. Mr. Speaker, Legislative assemblies are in session, today, in each of the three prairie provinces. I say that the most important and welcome news to the farmer and the rural municipal men in Western Canada has again come from Saskatchewan, and Saskatchewan only. The recently announced news of a \$25 million increase in road grants, I say, is a news item that is equal in magnitude to the news item that was announced by this very same government in 1945-46, when they announced the cancellation of some \$72 million of seed grain and relief advances that were on the backs of the municipalities in this province.

I know the Opposition wants to belittle this terrific grant. I happened, just the other night, to walk into one of the hotels here in the city; and as I walked into the hotel, two or three municipal men were really hee-hawing, and I wondered why. They stepped into the elevator, and I stepped into the elevator with them, and since I knew one of the secretary-treasurers (I have been a secretary-treasurer myself for some 17 years in the province - I know quite a few of them), I said, "Say, Bill, what are you laughing at?" He said, "Oh, didn't you notice?" - and it happened to be one of the M.L.A.'s that sits across the House. He was berating and belittling the \$25-million grant to the municipalities for the road grid; but the point is that they told him a thing or two, and he finally turned around and said, "Why, that's nothing. It's nothing new. We had a similar scheme back in 1912." So I don't blame the secretary-treasurer and the municipal men for hee-hawing. They had it in 1912! I remember when I was a municipal secretary-treasurer in this province. I remember coming into the Government, or the Opposition

which used to be the Government in days gone by. I remember when we had to bow down and cowtow to the boys, and after we came in here, when we went back with \$200 grants, brother! We thought we were heroes. We really had something! Today, our contributions run in the millions of dollars; and this reminds me of a little story when I was a kid on the farm, milking the cattle in the barn. There used to be kittens around, and we used to press the milk into their mouths, and I'm telling you, the kitten would just about burst, and still meow for more! Well, those boys are still meowing!

Mr. Speaker, I wonder how many realize that the best year that the Liberals ever contributed to the rural municipality in grants - and I mean in total grants - was the year 1943-44. They had to be generous then; it was an election year. They knew they had to, so they really had to be generous to the municipal men. That year they blew themselves and contributed \$520,000. Today, when we are bringing in a road grid system whereby we are going to contribute \$2,500,000 every year in extra grants over a period of ten years - \$500,000, only one-fifth of that, was enough in 1944. And Mr. Speaker, this isn't all the grants. This is only an increase that will be continued over a period of 25 years; but if you take these grants that we have been granting prior - taking the bridge grants, equalization grants, the municipal grants for ferrying, the main market roads in L.I.D.'s and so on - the contribution will be \$3,825,000.

Now I'm going to another little item - the public revenue tax. We don't want the boys opposite to forget the public revenue tax. They kept it on for years and years. In the 1952 election we promised to the people of Saskatchewan that we would wipe out the public revenue tax imposed by a Liberal administration. We took it off as promised. Therefore, we have made available to the rural municipalities of the province another \$1,800,000. Therefore we will actually be contributing directly and indirectly \$5,625,000 a year, or 11 times as high as the Liberals did in their best year.

Then we have M.L.A.'s opposite going into the municipal convention and belittling the contribution of this Government to the rural municipalities today. Not only that, but almost every responsibility possible was on the shoulders of the municipalities prior to 1944. They were responsible for hospitalizing their people. You know, the other day, listening to a radio address by one of the Liberals, he said, "Why, hospitalization? That's nothing new. We had hospitalization in 1935." What a joke! The municipalities had hospitalization, but not you fellows. You piled everything onto the shoulders of the municipalities in those days.

**Mr. Danielson:** — Tell us who pays it now?

**Mr. Speaker:** — Order!

**Hon. Mr. Kuziak:** — The Government of Saskatchewan and the people.

**Mr. Danielson:** — Stop making jokes!

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**Hon. Mr. Kuziak:** — In fact, may I point out, Mr. Speaker, that there is not a Liberal provincial government in the Dominion of Canada that has a hospitalization scheme paid by anyone of those provinces. There isn't a Liberal provincial government in the Dominion of Canada that pays any supplemental allowances to old-age pensioners. There isn't a Liberal provincial government in the Dominion of Canada that pays, or has a medical and hospitalization scheme for its old-age pensioners and blind pensioners, and so on. By the time the new election rolls around, these boys in the Opposition are really going to be generous. But I am going to tell you that a leopard never changes its spots; and they will never change if they ever have the opportunity to get on this side of the House.

Now, Mr. Speaker, I would like to report that I have a radio programme going over CJGX, Yorkton. I go on every Friday, and I want to state that this radio programme is completely and totally paid for by contributions from my people of the area. The other day, while I was repairing a radio speech, here is a letter I received, and this has connection with the grid system which I just mentioned. I received the letter, and I'm going to read it to you, Mr. Speaker, from the Rural Municipality of Keys at Canora. It says:

“Dear Mr. Kuziak:

The enclosure is being forwarded to make possible another one of your radio addresses, with special appreciation for your assistance towards the building of the Assiniboine River crossing, which the Liberals have failed to provide us during their 40 years of promises.”

They promised a bridge up in that area for 40 years; we built it. I wish on behalf of them, Mr. Minister of Highways (Hon. J.T. Douglas) to convey my appreciation to you. Then they go on - he gives me a list of the contributors for that radio fund, and at the end there is another paragraph:

“Being on the Council of the R.M. of Keys for the past some 18 years fails to impress upon me, nor any people in my area who are familiar with municipal issues, statements repeated by your Opposition in the Legislature, that this Government has done absolutely nothing for the municipalities.

How well the said statement explains the situation in this municipality, and no doubt to the neighbouring ones, for at least the six or seven years I served on this council before the present government took over.”

I want that to go on the records of the House. Let the Opposition know what some of the municipal men in the province of Saskatchewan are thinking. And they say:

“Keep the good work rolling forward.”

(Signed by the Reeve and the Secretary of the Municipality)

I am, also glad, Mr. Speaker, that the budget provides a fairly large increase in aid to education and schools in the sum of some \$2,240,000. Here again we want to compare the grants today to the grants of 1944. You, the financial critic can get up in this Legislature and belittle the contribution or the grants to schools today. In 1944, the grants were some \$3 million; today, the grants to the schools of the province of Saskatchewan are \$12,445,000 or better than four times as much. Although our budget has not increased three times, we are contributing to the schools four times as much as the Opposition was contributing in 1944.

I would say that with the continuing increase in the grants to schools for aid to education, and aid to the municipalities, and taking off the responsibility of the municipalities over the past 10 years, any person would think that the municipal and school taxes should be dropping in the province of Saskatchewan and not going up.

Last year, speaking in this same House I warned the Legislature that the Liberals were out with a whispering campaign throughout the province, and are going to try and blame the C.C.F. for the increasing municipal and school taxes in the province of Saskatchewan, and mind you, they are continuing that right here in the House, and intend to continue. In fact, as I stated many a time, they are hoping that the people of Saskatchewan are ignorant, and that they can get by with those things; but I am going to tell you that the people of Saskatchewan know better. I know that the people of Saskatchewan are more intelligent, economically and politically, than the people in any other part of the Dominion of Canada. They are not going to be fooled.

I am going to go over some of the statistics which I gave in this Legislature, last year. I have brought the figures up to date, and so, if the C.C.F. is to blame for the increased municipal and school taxes in Saskatchewan, then it is only a common sense that the taxes in Alberta and the taxes in Manitoba must be a way down, because in Manitoba they have a good Liberal Government! So let's take a look. I gave them, last year, right along Saskatchewan boundary between Saskatchewan and Manitoba - all you have to do is take one step over the boundary and you are in Manitoba. Let's take the R.M. of Livingstone in my area of the province, against the Manitoba boundary, and the R.M. of Swan River, No. 95. The total school and municipal tax in 1954 was 52 mills; you take a step across the boundary, and on the other side into 63 mills, or 11 mills higher.

I have a number of them, but I am just going to give a few items. The R.M. Of Calder straight east of Yorkton, (and I'm sorry the hon. member from Saltcoats (Mr. Lopton) isn't here, because he knows that area very well). On the Saskatchewan side, the school and municipal mill rate is 52; on the other side it is over 80, or 30 mills higher.

We can go on down to the southern part of Saskatchewan on the Manitoba-Saskatchewan boundary, and you have in the provinces of Saskatchewan, the R.M. No. 1, Argyle. Compare it to just across the road, the R.M. of Edwards. In Saskatchewan, the municipal and school mill rate is 47; step across the boundary into Manitoba, and it is 62 mills, or 15 mills higher than in Saskatchewan.

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Mr. Speaker, the average shows that all along the Manitoba-Saskatchewan boundary, taxes in Liberal Manitoba are on the average 11 mills higher.

I have given the mill rate now. Let us compare it in another way. It has been used in this House, but I am going to repeat it again. Let us take the average provincial mill rate. In Manitoba, the total provincial average school and municipal mill rate is 61; in Alberta, it is 55 and in Saskatchewan it is 50. Saskatchewan has the lowest mill rate of the three prairie provinces.

Let us take it in another way - in dollars and cents per quarter-section. In Manitoba, the school and municipal taxes together on each average quarter-section in the province is \$130. In Alberta, it is \$100; in Saskatchewan it is \$86.

Now, there is other information that you may garner from this statement. By comparing 1953-54 (because I used the 1953 statement), I find that the municipal and school taxes in Alberta in a year went up by 5 mills; in Saskatchewan, it went up by 4 mills; in Manitoba, it went up by 4 mills. In other words, Mr. Speaker, the municipal and school taxes, although we are contributing far more in grants to municipalities in aid to the schools, are still increasing, but not increasing any faster than they are increasing in Manitoba or Alberta.

Why are taxes increasing? Maybe I should give you a little more information. I have financial statements here from other municipalities of Manitoba and Alberta. I will just give you one example. In Alberta in the rural municipality of Stony Plain, its 1954 financial statements (and this isn't my figure - it is Alberta's figure) show the municipal mill rate here is 29 mills; a large school unit, 34 mills; and other units with 34, 35 and 36 mills. There is a levy for nurses' residences of 3½ mills, and then in Alberta they must contribute a four mill rate to pay the hospitalization scheme of Alberta. Then on top of that I have a reeve's report, given in the same municipality, and the reeve states:

“Hospitalization services are available to ratepayers and contract holders at a cost to them of \$2 a day for every day you go into the hospital in Alberta.”

Besides paying the mill rate in the municipality, when you go to the hospital in that province, you must pay \$2 for every day you are in the hospital.

Now, I would like to give you another example - Liberal Manitoba. I have another statement from the R.M. of Dauphin, Manitoba; not very far from my own area in the province. This is really a dilly, Mr. Speaker! There is a general school levy in Manitoba of 10 mills throughout the province. Then in the Dauphin area, for example, one of school units called Group A has a mill rate of 25; 25 and 10 is 35 mills for these schools. In another B. area, the mill rate is 41; 41 and 10 is 51 mills for the school alone. In another area called Group C., the special school levy is 26 mills; 26 and 10 is 36.

Now, let's go one further. They have a road tax of 8 mills, a special road tax. The general municipal levy is 30 mills. There is a reserve replacement fund for replacing capital machinery, of five mills; then they have an over-expenditure levy of two mills; then they have the Dauphin General Hospital levy of one mill; then they have the municipal commissioner's and health levy of 4 mills, and then in some areas of the Dauphin rural municipality, there is a levy of one mill to five mills for power. In other words, in this municipality of Dauphin, the lowest levy is 81, and in an area where the school rate is 41 mills, the levy goes as high as 101 mills.

I have a tax notice here. I am not talking through my hat like the financial critic; but I have facts to back it up. I have a tax notice from the R.M. of Dauphin. The assessment on this quarter is \$2,000, and the tax levy is \$170; and I noticed there is a stamp on it: "Sold for Taxes December 15, 1954." The good old Liberal Government of Manitoba still has the same tax sale system that the Liberals had in this province.

Then they are going to do, like the good old Liberals do in Manitoba!

Leaving that, Mr. Speaker, I want to go on to Saskatchewan Government Telephones, and, as I stated a few minutes ago, I believe that the best barometer to gauge the industrial and economic expansion of the province is the expansion of telephone service. In 1954 (and this is very interesting), when we had a terrific set-back in the agricultural economy, still in 1954 we added 9,340 telephones, and reduced the waiting list by 640 in the province. In 1954 we had a poor crop, and in 1955, even after our poor crop in the province, we installed 9,837 telephones, 490 more than in 1954, but only reduced the waiting list by 73. Now, what does that mean? It means that although the economic situation of the farmers - the bottom dropped out, and I know it did; but the fact that this Government has over a period of 10 years, carried on the diversification of the economy of Saskatchewan, the other side of the economy held up, and so on, in 1955, there was even a greater demand for the telephone installation in the cities and towns of the province of Saskatchewan.

But let us take a look at the other side. I look at the rural telephones report, and I find that the rural telephone companies in the province of Saskatchewan, in 1953, installed some 770 telephones; in 1954, with the agricultural economy breaking down, it dropped to only 35 telephones installed in the rural companies in the province of Saskatchewan. That's how serious the agricultural economy in the province of Saskatchewan is. Yet 'Jimmy' Gardiner, I know, was out west here lately, and I remember the moment he flew back to Ottawa, the radio came on and they said: 'Jimmy' Gardiner reports in Ottawa that everything is 'hunkydory' in Saskatchewan, and the west; there's nobody complaining that they need cash advances, or that the farmers are hard up; it's only the C.C.F. howlers!

Well, I have another letter here that I am going to take the opportunity of reading. This is a letter I received from one of the housewives of the Canora constituency in connection with the farming economy, and the grain situation. She writes (and mind you, she has attached an interim Wheat Board sub-cheque); you should listen to this one:

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“Dear Mr. Kuziak:

We are told by Mr. Gardiner and Mr. Howe that farmers are not as badly off as the critics say, and pretty soon they will also be broadcasting far and near of the millions and millions of dollars sent out to the farmers in interim wheat payments just recently.

Now, we worked two quarters of land, and consider this to be an average farm. Here is what we get for being on an average farm - \$1.45 interim wheat payment! If you could only get Gardiner and Howe now to tell us how would be the best way to spend this sum of money.”

But, Mr. Speaker, listen to this one:

“Any ideas from the Liberals in Regina?”

That’s what she asks.

“We listen to the radio with great interest to all the speeches that are going on in Regina right now. The Liberals seem to know of all the troubles in Saskatchewan, but they haven’t heard about the one that is sticking out like a sore thumb, and that is wheat, or the grain situation. They are not kidding anyone but themselves when they won’t talk why the farmer is really badly off. The farmer knows he’s sunk, and he knows why. He needs better prices for his wheat, and a good market.

“Please keep after those boys opposite you, and maybe that will wake Ottawa up.”

Going back to telephones; our expansion rose from 1944 when we had 47,000 telephones installed under 35 years of Liberal rule. That is at the rate of 1,300 telephones on the average per year. Since 1944, we have installed up to the present time 77,000 or including those 47,000, the number has jumped to 124,000 - or 124,155 to be exact, an average installation throughout the 12 years we have operated, of 6,400 per year. In fact, we are installing them on the average five times as fast as the Liberals did during their period. Today, we are installing at the approximate rate of 10,000 per year. In other words, in five years we will have installed more telephones than the Opposition did in 35 years of their administration.

The 1946 plan is to further increase the rate of installation to materially reduce the waiting list for telephones. In 1955, I would like to point out that we added 14,200 circuit miles to our network of long-distant miles, one of the greatest records in the history of Saskatchewan Government Telephones. New exchanges were erected and changed to the automatic dialing system in Estevan, Rosetown, Humboldt, and in Uranium City up in the north.

During 1956 in Saskatchewan Government Telephones, we are going to have one of the greatest programmes we have had so far. During 1956, we will be building the micro-wave system across the province of Saskatchewan,



and from Regina to Saskatoon. The micro-wave system is one that is being built by Trans-Canada Telephones, an association of all telephone companies in the Dominion of Canada. We expect to be using the micro-wave system in Regina early in 1957, and a few months later it will be extended to the city of Saskatoon.

During 1956, we are now erecting, and will be bringing in equipment to turn over to dial automatic systems in the following towns: Kamsack, Wadena, Eston and Shaunavon. I would like to report that the total operating revenue for Saskatchewan Government Telephones last year was almost \$12½ million, one million dollars more than in 1944, and that the net profit was very close to \$2½ million.

I would like at this point to make a comparison to the Manitoba Telephone system in that province. The Opposition sometimes praises the Liberal Government in Manitoba. In Manitoba, the telephone system consists of practically four-fifths of all the telephones in the city of Winnipeg only; therefore, in that Corporation it should be very easy to make a good profitable return. But in the last year's statement, they show a loss of some \$712,000, in spite of the fact that, on July 1st of this year, they increased the toll rates by 15 per cent, and increased the rural area rates by approximately 50 per cent. If you go into a booth to call anybody on the telephone, you don't put in a nickel like you do in Saskatchewan; you have to put in a dime. In fact, Saskatchewan and Alberta are the only provinces in the Dominion of Canada where you do use a nickel.

I want to take the opportunity at this time to convey my thanks to the staff of Saskatchewan Government Telephones for their devotion to duty, hard work, and the skill they have put into Saskatchewan Government Telephones in making that the successful Corporation that it is.

I am going to go now to some of the C.C.F. Crown Corporations. By the C.C.F. Crown Corporations, I mean those that we started since 1944. The first one on the list that I'm going to report on is the Northern Airways. When we commenced at the Northern Airways sometime back in 1945, or 1946, I remember the criticism that was hurled from the Opposition. They told us that we would send hundreds of thousands of dollars into the bog of Northern Saskatchewan. I want to say that we commenced the Northern Airways in order to bring civilization into the North, and bring development into the North, mining, the fishing industry, the fur industry, and the tourist industry. Now, I say that we have succeeded in doing just that. I have stated many a time that I believe that the Saskatchewan Northern Airways will go do in the history of the opening of Northern Saskatchewan, in the same manner as the Canadian Pacific Railway went down in the history of the opening of the West. Revenue, last year, in Saskatchewan Government Airways was \$743,000, or almost three-quarters of a million dollars. The payroll, wages paid to the employees of Airways, amounted to \$303,681, and this Corporation turned in a net profit to the Government of the Province of \$44,755 or a return of 5.87 per cent on the investment.

I go on to the Saskatchewan Timber Board. The Saskatchewan Timber Board's production last year increased by 35 per cent. We brought out over 61 million board feet of lumber from the North. I want to say that we

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expanded the operation of the Timber Board last year, because, particularly in the north, with the heavy rains and the very little crop that the farmers of the northern areas had, we gave an opportunity to the farmers of that northern area to work in the bush; in other words, brought about a work-and-wages programme to give employment to the people of the northern areas. So we expanded considerably the operation of the Timber Board. The total sales in the Timber Board, last year, was over \$7 million. The net profit turned in to the Government of the Province of Saskatchewan, or to the people of Saskatchewan, was \$579,852, and on top of that, I want to point out that the Timber Board paid in timber dues to the Government another \$577,000, or a total net return to the people of \$1,156,000.

I am going to make a comparison. In 1943-44, under the Liberal administration, the operators of the North took out over 114 million board feet of lumber. They took out more than twice as much lumber in 1943-44 as we took out last year, and they only turned into the coffers of the Government at that time \$670,000 or approximately half of what is turned in, today, on half the production.

**Mr. Cameron (Maple Creek):** — How much did you export out of the province?

**Mr. McDonald:** — The farmers didn't get the advantage.

**Hon. Mr. Kuziak:** — Now I want to give a record of 10 years. . .

**Mr. Cameron:** — Fifty-five per cent. . .

**Mr. Speaker:** — Order! Order!

**Hon. Mr. Kuziak:** — Ah! Shut up, will you?

**Mr. Danielson:** — Tell us about your. . .

**Mr. Speaker:** — Order! Order!

**Mr. Cameron:** — Mr. Speaker, did you hear that?

**Hon. Mr. Kuziak:** — I want to give a 10-year record in timber. I want to point out that this Corporation turned in dues of \$3,100,000. This Corporation also turned in net profits of another \$3 million.

**Mr. Cameron:** — He boasts about the profit.

**Hon. Mr. Kuziak:** — This Corporation over a 10-year period had a business turnover of \$40,200,000, and I say that it supplied lumber to the people cheaper than private companies would have done.

**Mr. Cameron:** — The American. . .

Hon. Mr. Kuziak: I remember walking into a lumberyard in the town of Nora, when the dealer told me that he is selling into Manitoba wholesale higher than he is retailing in Saskatchewan, because we have the timber board at Sturgis, and I know what I'm talking about.

Now going on to the next industry, and that is Wood Enterprises ordered the Box Factory. The Box Factory was taken over some time in 1949, when wages in that plant, I believe, were a miserable 25 cents an hour. We have continued that mainly to utilize waste timber material, to build into boxes. The sales turnover, last year, in this Corporation was \$573,000, or over half a million. It paid out in wages \$196,917, and brought employment opportunities to Prince Albert. It employed on the average some 75 people, and paid dues to the Government of \$24,860. That Corporation is the only Corporation of the 12 that showed a loss - a loss of \$48,300. If you take over the timber dues paid on waste material, amounting to \$24,860, the loss would only be \$24,000.

**Mr. McCarthy (Kennington):** — What about the interest?

**Hon. Mr. Kuziak:** — Going on to the Saskatchewan Government Insurance Office. Saskatchewan Government Insurance is one of the Corporations that has really given the nightmares to the Liberals and their friends, down through the years. This is a Company that was started in 1945, by the Saskatchewan Government advancing them \$12,000. Now the assets of this Corporation amount to \$11 million, Mr. Speaker; \$11 million invested in the Province of Saskatchewan in hospitals, in schools, in municipalities; and not in skyscrapers in the city of New York, the city of Chicago, or Montreal.

**Mr. Cameron:** — Tell the story of the Tannery - and the skyscraper in the city of Regina.

**Mr. Speaker:** — Order! Order! The hon. member will please restrain himself. The hon. member who was speaking yesterday made certain remarks in his speech, and the member who is speaking now should have an uninterrupted opportunity to reply. If there is something he said that you don't agree with, you will have the opportunity again on your side of the House.

**Hon. Mr. Kuziak:** — Mr. Speaker, I know the truth hurts the poor boys; they have got to do something.

I was speaking of skyscrapers in the city of New York, and the city of Chicago. I want to say that the Saskatchewan Government Insurance today owns a skyscraper in the city of Regina, the Canada Life Building. I remember being an insurance agent in the town of Canora, prior to 1944, when everything was cheap, and I remember that the farmers used to pay \$25 a thousand fire insurance for three years. Today, Mr. Speaker, they pay \$8.50; one-third the cost. I remember in the homes in Canora when I wrote them up with the private insurance companies, we paid \$15 a thousand for three years. Today, with the Saskatchewan Government Insurance office, or in the other Insurance Company it is \$4.50 - one-third the cost. Regina dwellings were written at \$8.40, and today they are down to \$3.00, approximately one-third the cost. I should give the rural schools too. The schools of my area of the province, prior to 1944, were paying as high as \$25 a thousand for three years; today they are paying \$7 for three years, in fact less than one-third the cost. So I say, with the Saskatchewan Government Insurance office being in the business, I estimate that we are annually saving to the people of the province of Saskatchewan in reduced insurance premiums, a sum of over \$17 million every year, besides turning in the profit and turning over our capital investment of

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millions of dollars in the expansion of the Province of Saskatchewan, or investing in bonds, in hospitals, in schools and so on, for the betterment of the Province of Saskatchewan. The profit in 1955 turned in was \$335,489. In fact, the accumulated net profit during the 10 years amounts to \$2¼ million.

I see I have got a note, "10th year anniversary." I was down to Yorkton not very long ago; we were holding the 10th year anniversary for the agents of the Saskatchewan Government Insurance office throughout the province. So I had the opportunity to go down to Yorkton and speak to the agents. In fact the speech was all recorded, and I was informed by CJGX that the whole talk would be CJGX. Now I am going to tell you I made a pretty fair speech; it was a good political speech. I say a good political speech. Then I gave them some of the facts that I am giving the House; but when the record came over CJGX all that was on it was my preliminary remarks, and then the presentation of the plaques. I don't blame them, but I am going to tell you something, Mr. Speaker. As you know, the Russian Farm Delegation was over here last summer. . .

**Mr. Danielson:** — You should have been with them.

**Hon. Mr. Kuziak:** — I would advise the Russian Government to send out here the Minister of Propaganda in the delegation, and I am going to tell you they can learn something from 'The Leader-Post' and the radio of the province of Saskatchewan. They can get quite a few lessons. They talk of freedom of the press. Even today if you look at the 'Leader-Post' for the last three weeks, the editorial sheet or the cartoons, always something against the C.C.F. In fact, when the Liberals over there make a mess of a speech they polish it all up. So I say they should ask a delegation from Russia to come over here and study some of the tactics, if they need it.

Now we go on to the second Insurance office we have. We have two businesses.

**Mr. Cameron:** — Is that the "Commonwealth?"

**Mr. Speaker:** — Order!

**Hon. Mr. Kuziak:** — Saskatchewan Guarantee and Fidelity. Remember when we bought a private insurance company in the city back here, in 1949. We bought this insurance company for \$250,000, and the 'Leader-Post' headlined it "The C.C.F. Bought a White Elephant." Now I am going to tell you how good that white elephant has become in the meantime; a pretty good one. We paid \$250,000 for this insurance company. This insurance company had operated in the province of Saskatchewan, and I believe a number of other provinces of Canada, and during 35 years of their operation they accumulated some \$70,000 in net profits. Of course, you know the Liberals will always tell you, particularly the 'Leader-Post', that private enterprise is very efficient. But, this is an insurance company that they operated for 35 years prior to us buying it, and it showed a net profit of \$70,000. We bought it in 1949 for \$250,000. In fact, we were hoping that, with the purchase of the Saskatchewan Guarantee and Fidelity we would be able to get into the other provinces to do business, because this company had a license in the other provinces; but we found out pretty soon that we were kicked out. They didn't want competition in Alberta,

a Social Credit Government. They didn't want competition in Manitoba, a Liberal Government. They didn't want any competition in British Columbia; but a State of the union of the United States of America let us in, and we have done some fine business in the state of Montana. But, our own sister provinces would not allow us to get in there to reduce the rates of insurance in those other provinces. They were protecting their friends. Anyway, we bought over the Insurance office, and I would like to inform you now that in six years this company has now accumulated assets of \$2,400,000. This company mainly does business outside of the province of Saskatchewan. May I point out that \$2,400,000 again is not invested in the skyscrapers of New York, or Montreal or Chicago, but invested in the province of Saskatchewan, in the schools and the education of our people. This company in 1955 turned in a net profit over \$129,000. Since we bought it in 1949, it has turned in a total accumulative net profit of over \$½ million.

**Mr. Cameron:** — For use not for profit, eh?

**Hon. Mr. Kuziak:** — A mighty fine 'white elephant' for the people of Saskatchewan!

Going on to the next Crown Corporation. I will go through them all for you again, so that when you get the truth, don't twist and turn.

**Mr. Cameron:** — I thought you operated for use not for profit!

**Mr. Speaker:** — Order!

**Hon. Mr. Kuziak:** — The next I am going to cover is Saskatchewan Marketing Services. In Saskatchewan Marketing Services we have the Fish Marketing Service, the Fur Marketing Service, and the Trading Posts in the North.

The Fish Marketing Service is operated on the principle of the Wheat Board, whereby we sell fish for the fishermen of the North, and return to him the highest possible price for his commodity; not steal half of it like they used to do. I want to say that we have brought stability to the people of the North. Last year we marketed 4,000,400 pounds of fish. The total sales of that fish amounted to \$717,000. We paid the 500 fishermen who took the fish out, \$328,000. Pretty fine wages, better than the dole system or the relief that the Liberals used to give these people of the North. We paid out in this Corporation also, to contractors, for labour and flying the fish out, the sum of \$212,072. This Corporation paid in royalties to the Government, \$12,672 and turned in a net profit of \$2,000.

Ladies and gentlemen. . . or I mean, Mr. Speaker. . .

**Mr. Cameron:** — The election isn't on yet, Alec!

**Mr. Speaker:** — Order! Order!

**Mr. Cameron:** — You're not out on the hustings yet.

**Mr. Speaker:** — Order!

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**Hon. Mr. Kuziak:** — Mr. Speaker, we try to operate the Marketing Services at cost. The aim is not profit.

**Mr. Danielson:** — Now tell the truth.

**Hon. Mr. Kuziak:** — Now, I am going to go to Furs. You can get the truth out of the statements, they are filed. You can get them yourself.

**Hon. Mr. Nollet (Minister of Agriculture):** — If you can read them.

**Hon. Mr. Kuziak:** — Mr. Speaker, in the Fur Marketing Service in 1955 we had record sales. The trappers shipped into the marketing service over 2 million muskrats, and I will never forget when I was out in the country in early 1955, when the Liberals (some of them, there is still the odd one left) laughed and said “My, with all the muskrats in all the sloughs and on the road allowances, they wouldn’t be worth two bits a skin, or pelt.” Well, I want to point out, Mr. Speaker, that the average price of those pelts was approximately 90 cents, an exceptional price, obtained by the Fur Marketing Service; and last year the total sales in this Corporation amounted to \$3,207,000. In 1954, it was only \$1 million. In other words, the increase was three times as great in 1955. During 1955, we opened up fur marketing. The Liberals carried on a propaganda throughout the province of Saskatchewan about compulsory services; and I am going to tell you I supported the opening of it.

**Mr. Cameron:** — Hooray!

**Hon. Mr. Kuziak:** — Maybe some of the Liberals will find the truth of the situation. So, today I find one man writing to me from Buchanan, and here I have a copy of an invoice. He shipped in 70 muskrat pelts to private enterprise, and he received \$16.30 or 22 cents apiece, when he could have got 90 cents through the Saskatchewan Marketing Service. Some of them are learning a lesson. This is what the Opposition wanted - the dealers paying next to nothing, and reaping off the profits.

**Mr. Cameron:** — You gave it to them.

**Hon. Mr. Kuziak:** — Yes. Now, going on to the Saskatchewan Government Trading, the next Corporation in the North. This one was commenced in the North to give competition to private enterprise - the Hudson’s Bay Company. I am going to use the story used here, a few days ago, by the hon. member for Cumberland (Mr. Berezowsky) who should know the situation of the North. He told us the story of how, prior to 1944, when he walked into the Hudson’ Bay Company of the North, or the Hudson’s Bay Post, he noticed them selling a bag of flour to an Indian and charged him \$15. When he walked up to buy a bag of flour they said, \$7.50. He asked “Why \$7.50 to me, and \$15 to the Indian?” “Oh well,” was the answer, “we have two different prices; one for the half-breeds, and a different price for the white man.”

So we brought in Saskatchewan Government Trading to bring some clean competition into the North. And I want to report that, last year, the sales in Government Trading amounted to \$446,119; the profit was turned in at \$19,220. Now I believe that it has brought in an increased standard of living, decent prices for the commodities that the half-breed or the Indian, the

trapper or the fishermen in the north, buys. I believe that it has brought to him a certain amount of self respect and independence. As far as these Corporations are concerned, we have given them an opportunity to earn a living, and not hand them out the dole system, like they used to prior to 1944.

I come now to the next Crown Corporation - Saskatchewan Clay Products, or the Brick Plant at Estevan. The Brick Plant at Estevan was closed, I believe, from 1932 up until we took it over, in 1945, for the utilization and development of the clay resources that we have around Estevan. This is a Corporation that we had some difficulty with. We are not afraid to admit that we had some difficulties with some of them. In fact, we are not afraid to admit any losses that we have had either. I want to state that Saskatchewan Clay Products has turned into a profitable operation since 1952, and has continued so right up to date. It is a plant that is operating today at full capacity during the whole of the year. The sales in this Corporation amounted to \$468,997 or a turnover of approximately \$½ million. The net profit turned into the Government is \$56,986. The annual wages paid out to the people of the plant, or the employees, is \$184,916. And probably here I should mention that, by virtue of the fact that we had a brick plant operated by the government, brick prices have been kept low in this area of Canada and America. I would like to point out that the brick price, for example, in Moose Jaw is \$45 per thousand; in South Dakota, it is \$88 per thousand; in Portland, Maine, \$75 per thousand; Boston, \$75; New York, \$80; Buffalo, \$93 - and so on.

Going to the next Corporation, Sodium Sulphate. The Sodium Sulphate Corporation was commenced, and we built a plant, at Chaplin in 1946. I remember the criticism carried on by the Opposition. They used to call it "the million-dollar baby."

**Mr. Danielson:** — It was more than that.

**Mr. Speaker:** — Order!

**Hon. Mr. Kuziak:** — Chaplin is situated on the shores of Lake Chaplin, a sub-marginal area where it is not even suitable for farming except for a certain amount of ranching, and the water is not even fit for cattle. Anyway, there you have millions and millions of tons of sodium sulphate in that water. We spent \$1 million in the erection of the sodium sulphate plant. The plant has been so successful that in 1954 we purchased another plant, Natural Sodium Products, which owned a plant at Bishopric and one at Alsask. We've remodelled and reconditioned the plant at Bishopric, and in 1955, we are reporting the biggest sales in the history of Saskatchewan Sodium Sulphate. The sales amounted to over \$1¼ million. The net profit was \$121,907. The payroll was approximately \$400,000. In fact, the Chaplin plant alone, since 1946 paid in a total accumulative profit of \$659,086, and paid in, in royalties to the Government, another sum of \$287,000 or close to \$1 million. I want to report that at both plants, at Bishopric and at Chaplin, we have this year experienced a very excellent harvest, and the sodium sulphate picture next year should be the best in the history of the sodium sulphate industry.

Another Crown Corporation: Saskatchewan Government Printing. Saskatchewan Government Printing was commenced with an advance of \$275,000, and to date it has turned in, in accumulative profits, the sum of \$470,000 or

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almost twice as much as we paid for it. It has kept the cost of printing down to the Government, and has been a good competitive factor in keeping all printing prices down in the province.

Saskatchewan Transportation Company is another Corporation that was commenced by the C.C.F. Government. The business turnover here was \$1,327,000. It turned in a profit of \$12,248, and has given bus service where private enterprise will not go due to the profit angle.

Now I want to sum up the total picture. . .

**Mr. McDonald:** — Are you sure you haven't left one out now?

**Mr. Speaker:** — Order!

**Hon. Mr. Kuziak:** — Now the complete C.C.F. Crown Corporation picture as a whole. The net profit of all these Corporations, this year, amounts to \$1,300,000 on an investment by the people of the province of \$1,600,000. These Corporations have turned in a net profit on the capital investment, or on the advance of 14.18 per cent.

You know, yesterday, the financial critic criticized the exorbitant profit of Power and Telephones. Let us take a look at them. The profit in Telephones, before payment of interest, is 10.24 per cent. He says that's high. In Power, the profit is only 5 per cent - and that is high. But when they get out on the hustings and talk about the small Corporations, will they ever cut the profit down - and 14 per cent is not good enough! I just can't understand their sense of reasoning, Mr. Speaker.

**Mr. Danielson:** — It's all losses. You have no profit to cut down on.

**Hon. Mr. Kuziak:** — But the turnover on the Crown Corporations, this year, is 14 per cent.

Now I want to refer to a statement made over the radio by the hon. member for Moosomin (Mr. McDonald). The hon. member, speaking on November. . . No, it is Cannington (Mr. McCarthy). . .

**Mr. McCarthy:** — Get it straight, now.

**Hon. Mr. Kuziak:** — The hon. member for Cannington, speaking on November 7, 1955, had this to say about the Crown Corporations:

“Many of you are probably not aware that the C.C.F. Government has in the past used the profits from Power and Telephones, to cover the losses of such defunct Crown Corporations as the shoe factory, the woollen mill, the tannery, the Fish Board, and a host of others.”

**Mr. McCarthy:** — That's what I said.

**Mr. Cameron:** — Hear! Hear!



**Hon. Mr. Kuziak:** — How many others? What a bunch of nuts!

**Mr. Danielson:** — You did it for years.

**Mr. Speaker:** — Order!

**Mr. Danielson:** — You had to quit it.

**Mr. Speaker:** — Order!

**Hon. Mr. Kuziak:** — Mr. Speaker, here is an M.L.A. - and I could refer to them all. Many of them have sat for eight years as members of the Select Standing Committee on Crown Corporations. All of them have had the opportunity to analyze and scan every financial statement. If they don't know, and don't understand, Mr. Speaker, ask and you obtain the information from the people that know and understand financial statements.

Yet here we have a man who knows that the profits of Power, every cent of it, have always been plowed back into the expansion of power, and it shows you on the financial statement. They all know that, for example, the profits of Telephones are all turned into the capital expansion of Telephones, and has not a thing to do with any of the C.C.F. Corporations. They know that the C.C.F. Corporations, all 12 of them, are controlled by the Government Finance Office; and that all profits are paid in first to the Government Finance office, and the Government Finance Office, out of the C.C.F. Crown Corporations, covers the losses of the other C.C.F. Crown Corporations.

**Mr. McCarthy:** — That is just what I said.

**Hon. Mr. Kuziak:** — Then what were you telling the public? And then he goes on — “and a host of other Corporations.” What others are defunct? In fact, Mr. Speaker, the only defunct Crown Corporations (if you want to call it ‘defunct’) are the Shoe Factory, I admit it; the Woollen Mill and the Tannery. Even the Fish Board isn't defunct; it is the Fish Marketing Service today.

**Mr. Danielson:** — What about the \$800,000 you threw away?

**Mr. Speaker:** — Order!

**Hon. Mr. Kuziak:** — We threw it away by subsidizing the fishermen of the North, so there again, Mr. Speaker, when I show you the total accumulative net profits, that is after the subsidization of the fishermen of the North. The Crown Corporations have been subsidizing the fishermen of the North, when in your time you used to feed them a dole of \$10 a month.

**Mr. Cameron:** — You and the Provincial Treasurer should get together.

**Mr. Speaker:** — Order!

**Mr. Danielson:** — He has got to make a confession. . .

**Mr. Speaker:** — Order!

**Hon. Mr. Kuziak:** — Now, Mr. Speaker, in conclusion I want to state. . .

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**Mr. Speaker:** Order! I received a letter today which in intent cast a reflection upon myself because of the action that has taken place in this Legislative Chamber, criticizing very severely the actions of the members. I think we should have a little more decorum, because your actions simply reflect upon the Assembly. All right, Mr. Kuziak.

**Mr. Danielson:** — Get a little rest. . .

**Hon. Mr. Kuziak:** — Mr. Speaker, in conclusion I want to state this on the whole Crown Corporation picture, particular the C.C.F. Crown Corporations, but I don't connect up with Telephones or Power, I leave them off to the side; and again I want to repeat that is not one single copper of the profits of Power, or the profits of Telephones has ever been paid in to cover losses of any C.C.F. Crown Corporation. The losses of C.C.F. Crown Corporations have always been covered by the profit of the other C.C.F. Crown Corporations. I want to state that, as far as the Crown Corporations are concerned, I am proud of them, I could challenge any of the boys, or the boys from the Opposition in my constituency, to stand on the record of the Crown Corporations. Any citizen of the province of Saskatchewan, too, I believe, is proud of the record of the Crown Corporations. The Crown Corporations have created, I would say, considerable savings and wealth for the people of Saskatchewan, far in excess of even the profits to the Government. I believe that they have brought a higher standard of living to the people, particularly the people of northern Saskatchewan.

In conclusion, Mr. Speaker, I want to state that the budget that has been brought down is another expanding budget which, I believe, will aid greatly the development of the province of Saskatchewan; and I want to say that I certainly will be supporting it.

**Hon. C. C. Williams (Minister of Labour):** — Mr. Speaker, it is a pleasure to have the opportunity of taking part in this Budget debate, the largest amount, (exceeding \$87 million) in the history of our province, and I am going to go into that in detail a little later on in my speech.

The Minister of Telephones (Hon. Mr. Kuziak), a short time ago, made some reference to the farm group from Russia who toured the United States and Canada last summer, and spent some time in our province. I recall being present at a banquet the Government put on for them at the Saskatchewan Hotel. The Rt. Hon. J. G. Gardiner was there, and I think spoke on that occasion. They toured the province pretty well, and no doubt learned, things from our farmers that they would take back to Russia, and I think the trip was of mutual advantage to the farmers in both countries. Someone later coined the phrase, Mr. Speaker, after the delegation went away, (quite a few of them were young men) "How are you going to keep them down on the collective farm after they have seen Saskatchewan."

Just recently I read in the press that the Dominion of Canada is selling approximately 50 million bushels of grain to Russia over a 3-year period. It is quite possible the visit of that delegation last summer has brought it about.

Possibly one of the first things I should mention in this debate on the Budget is the matter of unemployment in the Province of Saskatchewan. It is unfortunate that many of our people are out of work, although we are fortunate perhaps as far as numbers are concerned. It is a great deal worse in the eastern provinces of Québec and Ontario. It is a fact that in 1955 there were more unemployed in this province and then there are at the present time. The year 1955, by the way, was the peak year since the end of the war. There were 21,808 persons unemployed in the province just exactly one year ago now. At the present time the figure is 20,003, or about 1,800 less. Back in 1954 the figure was a little over 16,000.

So we come now to the classes of labour who find themselves without a job. I want to particularly mention this, Mr. Speaker, and show that the construction industry has suffered more than any, and I have the figures here. Skilled construction workers 2,778, unskilled 4,300; transportation - that is truckers, taxi drivers, railways, - and a lot of railway men are out of work at the present time, 2,476; trade and services, which includes cooks, domestics, waiters and so on, 1,964 men and 1,185 women; clerical and sales 1,102 men and 1,989 women; unskilled (excluding construction) 1,581 men, 366 women. So there is a breakdown as to the unemployed, and it is worth mentioning here the fact that we do not see any factory employees listed, which is an indication that the people who work in factories in this province have pretty well all got jobs at the present time. But the factors which have contributed to this year's unemployment is the reduced buying power of the farmers, who received less farm income and whose expenses have been slightly higher in 1955, plus a wet spring, which delayed the start of construction, and later on, the starting of an early winter season on the first of November, which stopped such work comparatively early.

Now, Mr. Speaker, under the British North America Act, the Federal government has control of trade, industry, and commerce, and through this control influence the level of economic activity and employment. Unemployment wherever it occurs in Canada, affects workers all across the country and as an example of this, reduced farm income in 1954 immediately caused unemployment in the industries in the east, which supply farm equipment and machinery. The unemployed in these industries caused further unemployment throughout Canada by reducing the demand for goods and services of all kinds.

The Provincial Government has been concerned with seasonal unemployment which is mainly caused in Saskatchewan by the winter. Just as regularly as night follows day, Mr. Speaker, we have this seasonal unemployment that starts each fall.

The Department of Labour this winter assisted the Regina Labour Unemployment Council, by supplying the part-time services of two members of the staff, and this Committee by the way have the active support of the Provincial Government, the National Employment Service, the Regina Employers' Association, the Chamber of Commerce, and representatives from all religious groups. One of the members I referred to just a moment ago acted as the Publishing Manager to the Council and was instrumental in sparking a community effort to combat seasonal unemployment by asking householders and business men to undertake necessary repairs and renovations of their quarters under the slogan "Do It Now." That has received a good deal of publicity, and I think we all know about it. Contractors, retail merchants, and organized

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labour have indicated that they consider this campaign to have been successful in helping to maintain business activity and curtail unemployment, but it has provided work for quite a number of tradesmen who had been idle for a number of months.

Now just to turn, Mr. Speaker, for a moment to my particular department, I see we are asking for an amount of \$977,430, which is not very large as departments go. However, the story is even better than that, because to be deducted from that amount is the sub-vote in regard to the Fire Prevention Act, which is \$101,500. We also get from the Dominion Government in regard to the Civil Defence Fund \$9,770. Also from the Dominion Government their share of the apprenticeship training agreement \$100,850, a total of \$212,120 can be deducted from that item of almost \$1 million. Then we go back to the estimated revenue and find that the Department takes in a good deal of money in comparison with what we spend. The boilers, pressure vessels and elevators branch brings in \$101,370. The electrical and gas inspection branch brings in \$287,240. The film censor \$84,000. Fire prevention \$11,000. Theatres and public halls \$40,000, or total of \$574,000. When that is deducted, the amount we receive from the Provincial Treasury amounts to \$191,310, which, of course, will be used to the ultimate advantage of the people of Saskatchewan, and particularly those in the towns, villages and cities.

With those remarks then, Mr. Speaker, I beg leave to adjourn the debate.

The Assembly then adjourned at 5.40 o'clock p.m.