

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Fourth Session - Twelfth Legislature**  
**23rd Day**

Monday, March 12, 1956

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

On the Orders of the Day:

**BUDGET DEBATE**

The House resumed from Friday, March 9, 1956, the adjourned debate on the proposed Motion of the Hon. Mr. Fines (Provincial Treasurer): That Mr. Speaker, do now leads the Chair. (The Assembly to go into Committee of Supply).

**Hon. J. H. Sturdy (Minister of Social Welfare):** — Mr. Speaker, I am sure that I am speaking for all members of this House, and for the people of Saskatchewan when I express to you, Sir, our deep gratitudes for the many, many years of exemplary service you have rendered the public life of this province. You brought two attributes to Saskatchewan when you came here 55 years ago from England. I would say first a sound and deep appreciation, and knowledge of parliamentary institutions, and parliamentary processes. And you brought here also a great love for reform. In respect to the latter, down through the years, you have so pursued with undeviating courage and loyalty your ideals in this regard that you have earned for yourself the respect of everyone who knows you in this province.

I can well remember driving Tom Johnston by cutter and sleigh in the early 'thirties to attend meetings in school houses and in farm houses, and those were grim days, as we all recall. I wish to point out too, Mr. Speaker, that you have discharged in an efficient, fair and unbiased manner your onerous duties as Speaker for the past 12 years. I do not know of anyone in the House who has been more subject to your discipline than I have, but I never curried favour with you, because I knew it would not do me any good.

Now, Mr. Speaker, what I have said of you applies equally to the deputy speaker, John Wellbelove. May you both live long, happily and healthfully to enjoy that vacation you have postponed for so many years.

Mr. Speaker, I am not going to waste any time castigating the Opposition; there seems to be little point in flogging a dead horse. Or, as an ancient Persian philosopher said, "It is fruitless to drop buckets into empty wells". As a matter of fact that is the conclusion the people of this Province came to in 1944, when after 35 years of dropping buckets into empty Liberal wells, and growing weary with drawing nothing up, they became fed up, and transferred to C. C.F. wells, with very gratifying results during the past 12 years. I do not think there is any possibility, or any likelihood whatsoever, of the people of this province turning again to Liberal wells, knowing

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that they are still empty - that is, empty of everything except promises, with which they are filled to overflowing.

**Mr. Loptson (Saltcoats):** — We never promised as much as the C.C.F.'ers without carrying them out!

**Hon. Mr. Sturdy:** — If I might carry the analogy a little further, Mr. Speaker, I would point out that during the 35 years they were in office, the Liberal wells didn't yield any oil in this province. But yet last year, C.C.F. wells yielded 12 million barrels, and 20 million next year, when we have additional pipelines.

**Mr. Loptson:** — Compared to over 100 million in Alberta.

**Hon. Mr. Sturdy:** — And we are yielding sufficient gas, of the commercial variety, and not the kind we find emanating from the Opposition - sufficient commercial gas to serve all the communities of this province, even the city of Regina . . .

**Mr. Danielson (Arm River):** — Mind your gas, now.

**Mr. Loptson:** — That's C.C.F. gas, now.

**Hon. Mr. Sturdy:** — But it will be necessary for the city of Regina to get on with the job and not be held up by a great deal of bickering and constant delays. As a matter of fact, Mr. Speaker, if my personal interests were centred in Regina instead of that fortunate and happy city of Saskatoon, I would very much resent the interminable delay and the blocking tactics, particularly of the 'Leader Post', and the Opposition, who are determined to turn the distribution of gas over to private companies and thus deprive the smaller communities of this province of that very efficient, cheap and convenient fuel. I have talked to many of my friends in Saskatoon, and they have all told me that they are saving from 20 to 35 per cent, find it convenient, and never suffer a breakdown in the supply. But I think the main thing that appeals to the people of that fine, large city of Saskatoon, is the fact that within one year after gas had been discovered in sufficient quantities, they had gas into the city of Saskatoon. Not only that, many small communities, which, under private distribution of gas, would never receive that fuel, are now receiving it.

But, Mr. Speaker, I wish to deal with the work of my department. I will leave gas distribution to the 'Leader Post' and the Opposition - they seem to be proficient in the distribution of that commodity - unfortunately the vocal and not the commercial kind of gas!

**Mr. McDonald (Leader of the Opposition):** — They aren't getting any done!

**Mr. Danielson:** — Can't do much about it, can you?

**Mr. Speaker:** — Order!

**Hon. Mr. Sturdy:** — I will deal only with one or two programmes of my department, and I hope to indicate by dealing with them, the lines along which we are proceeding and progressing and welfare in this province. May I say at the outset, Mr. Speaker, that the whole concept of social welfare has changed,

and the policy and administration have changed with it, since 1944. No longer is social welfare a case of doling out a pittance of relief to those in need, nor is it inadequate pensions for our aged, nor is it custody under untrained guards for the inmates in our penal institutions, our gaols. And welfare is no longer hasty and often ill-places adoption of wards of the government; nor is it putting them into orphanages or work homes, nor is Social Welfare any longer the callous neglect of physical handicapped persons, nor is it the almost complete absence of security for the aged people of this province.

Mr. Speaker, that was the position of Welfare under the previous governments, but it was not the position taken by the people of this province in respect to our less fortunate citizens. And I will say this, that should the C.C.F. Government ever flag or falter, or ever cease in its efforts to improve the security - the training, the rehabilitation, yes and the happiness and well-being of our less fortunate citizens, they are liable to go down as the Liberals went down in 1944! But I am sure, Mr. Speaker, that "humanity first" will always be the guiding principle of this movement, as it was in the beginning, and it will never deteriorate into a political shibboleth.

Now, as I said, gone are the days of untrained, inexperienced, unsuited, politically appointed workers in social welfare. Our specifications for the position of social worker - field social worker, are the highest in Canada, and we are proud of that. Social workers have a difficult and important work to do. They deal in the innermost lives of very often, seriously disturbed, maladjusted, unfortunate people. Our Social Workers should have the benefit of the best professional training, and they should have adequate remuneration for their exacting and difficult work.

Mr. Speaker, perhaps I can best illustrate the direction in which we are endeavouring to go in social welfare by dealing with one programme - correction, which, incidentally, is by no means the most important or the most advanced of the programmes of the Department. One would judge by the prominence given to crime in our daily newspapers and our radio, and other agencies of information, that crime was the greatest social menace of our time. Maybe it is, but I could only wish to equal prominence was given to the positive side of the picture - the many experiments and corrective programmes that are being tried out with varying degrees of success in this province and elsewhere in Canada, in our attempts to alleviate, if not to eradicate, this serious social sore-spot.

In recent years, penal administrations all over this continent has been keenly aware of the problems involving increases in gaol populations; the succession of costly prison riots; and the high rate of re-committals to our penal institutions. These problems have been raised in committees and commissions, not only in Canada, but throughout the North American continent, in an attempt to find the reasons for these problems, and to find the appropriate answers to them. Mr. Speaker, as a result of our connections with other programmes all over this continent, we feel confident that Saskatchewan is second to none in the development of a constructive, remedial programme in our correction institutions - our gaols. And in spite of severe over-population, in our

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two mens' gaols within the past two or three years, we have been able to build up our training and treatment emphasis within these institutions, rather than curtail or mark time, pending the return to a normal gaol population.

I want to point out that a great credit of this better-than-average state of affairs is not only due to our very fine staff, but is due to the very great majority of the inmates of these institutions, who have assisted us in avoiding serious trouble in our gaols, and also on the positive side, are co-operating in the advancement of our gaol programme.

There are two main ingredients that are responsible for this better-than-average state of affairs. First, there is the use of a constructive, positive programme in working with our inmates. Such an approach requires an individual assessment of the ability, the previous training, or lack of training, the personality, the problems, and the general potentialities of the individual prisoner. This is carried out by an assessment team who pool their skills and training in social welfare, in psychiatry, and education, and in psychology, and they work out the best treatment and the best training for the individual inmate. This is the first step - the first essential in a system of individualized justice, because I want to assure you, Mr. Speaker, that prisoner in our gaols is no longer a number; he is an individual, a soul, personality with potentialities for usefulness, if those potentialities can be exploited. And I am happy to say that our courts, our judges, and our magistrates make use of these individual assessments of the prisoner, and they make use of case work in an ever-increasing degree in this province.

Our work programmes in our gaols have moved a long way since the days when men sentenced to hard labour served their sentences primarily by sitting long hours in their cells, or spending long hours performing meaningless routine tasks, which did nothing to build up their self-respect, or to train them to take their places, on discharge, in society as useful citizens. As recently as three or four years ago our institutions were frustrated by the problem of maintaining a large percentage of the inmates of our gaols in idleness. Today, every inmate who is physically capable, is absorbed in meaningful, worthwhile work, in which he is encouraged to develop work habits, and to help to derive a sense of self-respect, and we are continually moving forward in the development of our training programme.

Now, we know that a trade in itself is no barrier to criminal behaviour. However, many men lack the basic knowledge of the trade which will make them useful citizens, and valuable to an employer. In our shops we are concerned about providing them with as much technical knowledge in a trade as they are capable of grasping, and we provide them with an opportunity of experiencing work conditions which prevail in their trades outside the gaol, so that when they are discharged they can rapidly adjust themselves to outside conditions. We offer trade training under highly competent instructors in a good variety of trades. At the Regina gaol training is given in agriculture, in motor mechanics, carpentry, shoe-making and repairing, tailoring, farm mechanics, and radio servicing. In Prince Albert, instruction is given in various agricultural activity, in the building trades, and in farm mechanics. Over the past years, a number of men so trained, have been able to earn certificates of qualifications granted by the Department of Labour, after they have tried an examination, completed their test, and their training.

The number of men undergoing both vocational and academic training has been on the increase in yearly, so that now at Regina gaol over 50 per cent of the men who have more than two months' sentences, are undergoing trade training and education. Let me assure you, Mr. Speaker, that in comparison with every other institution on this continent, that is a very high percentage indeed.

Now, our group work activities, in all our institutions are growing up. Men must live together, they must learn to work together, to play together, to co-operate, if we are point to have a well-adjusted harmonious society. There's no place in the well-adjusted society for the outcast, the lone wolf, the social pariah. Inmates come to us with a chip on their shoulder, antagonistic towards society, opposed to all restraints and discipline, and unless these anti-social attitudes are corrected, rehabilitation becomes difficult, if not impossible.

Now, we started group work in our gaols by placing considerable emphasis on recreational and leisure time activity. But today group work is used under skillful direction, and guidance, as a means of helping groups of inmates to come to grip with their problems; to discuss realistically their plans for the future. Many men, after their discharge, write letters to their instructors or group leaders, taking great pride in how they have been coping with their difficulties on the outside, and expressing their appreciation of the benefits which they have received through these group work activities. Frankly, Mr. Speaker, the discussion one hears among these groups within the gaol is infinitely more elevating and purposeful than one is liable to hear on the street corner, or outside the pool hall of an ordinary community.

In addition, our institutions make provision for the experience of corporate worship and religious counselling, by the use of the clergy of the community. Also, we give individual case work and counselling services to the individual, and these are given by trained members of the prison staff. And we endeavour to surround our inmates with an atmosphere of optimism, hopefulness, and of helpfulness.

The second main factor contributing to Saskatchewan's ever-improving experience in this particular field of welfare is the keystone of any good correctional programme. And this is a programme of continuous staff training. Three years ago, the correctional branch outlined a three-year syllabus of training for its institutional staff. A very competitive staff training committee, building up a body of training materials, and these have been compiled into instruction manuals for the use of the staff. This spring, Mr. Speaker, we shall graduate in Regina and Prince Albert, our first classes of officers upon the completion of their entire three-year course. Personally, Mr. Speaker, I shall take as much pride and pleasure in these graduating exercises at Prince Albert and Regina gaols, as any graduating exercises I have ever had anything to do with, or have attended. You may mark this down, Mr. Speaker, it is another 'first' in Canada.

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We have already seen evidences of the benefits of this training programme in the morale of the staff; in their keener interest in their work, in their heightened sense of responsibility in being part of an important social rehabilitation programme. No department of governments, nor any individual programme of that department can be carried out, Mr. Speaker, simply by having enlightened and trained people at the top. It is essential that every worker in the process be professionally trained, familiar with, and enthusiastic for the objects of the programme, and they must take pride in that programme and in the department. Yes, and if morale is to be maintained, the workers must be adequately paid. I would call your attention to this, Mr. Speaker, every commission - every committee investigating prison riots have stated that the great contributing factor is an inadequate staff, inadequate in numbers, impersonal quality and in training.

Our corrections branch has always been interested in attempting to improve its record, and to discover new ways in making its work more effective. One of the most recent experiments which is proving more valuable than we had anticipated, is the work camp. In the past two years several work camp projects have been undertaken by the men's gaols at Prince Albert, most of them in co-operation with the Department of Natural Resources. These are conservation projects carried out in our northern forests. Although there is only one officer in charge of each work camp, there has been no serious disciplinary problem, and no one has ever attempted to escape. Frankly, prisoners who ordinarily were considered to be poor risks on these work camps have responded positively to the confidence and trust placed in them, and they have done exceptionally well. This might surprise the Minister of Natural Resources (Hon. Mr. Brockelbank). We have been told by his officials that the work carried out at these work camps is more efficient, and of higher quality than that of civilian groups employed on similar projects.

Now, as an indication as to what the outside world thinks of our corrections programme, I am proud to inform this House that our director, Mr. John Fornataro, was appointed to the directorate of the Correctional Association of America, which is much the largest and most important panel association on this continent. He is only one of four Canadians who were selected. Two others are from Ottawa, and one from Ontario.

We must move, now, from the programme development in our institutions to parole and probation. Some progress has been made, but much remains to be done, and if we are going to do a credible job, the public must be with us. The success of parole and probation services depends upon a healthy climate of public concern, and believes in the possibilities of good citizenship of convicted offenders. It seems to me that much of our gains are lost, unless we have the full sympathy, the full understanding and help of our community. No government administration can conduct this programme at a level of maximum efficiency unless the citizens of the community are convinced that it is good business, good humanity and good citizenship to align themselves with those who are concerned about the restoration of the offender, rather than his punishment.

Now, this favourable climate of opinion, it seems to me, Mr. Speaker, is the starting point of every good, worthwhile reform. There are specialized services which government administrations can establish and operate,

but the attitude and spirit of the people cannot be legislated into existence. But, the public can be, and are anxious to be informed, and it seems to me that this is a job which is of greatest importance, and is crucial to the future development of correctional work of this province. And herein can the daily and weekly press, and all agencies of information, assist greatly if they, in turn, will be as much concerned about salvation as they appear to be concerned with sensation, to which there is too much emphasis given at all times, it seems to me.

I am sure that the John Howard Society, and the Saskatchewan Council of Women will be pleased that a new women's gaol is to be built in Prince Albert this year. It isn't going to be an elaborate gaol, but it will be a functional gaol, and one in which we can develop our correctional programme among women offenders in this province. Also the new gaol will provide additional room for men offenders in the Prince Albert gaol by releasing the space now occupied by women. Also I am sure that the people of Saskatchewan will be pleased to learn that the overall gaol population in our province has decreased by some 30 per cent during the past two years. This is difficult to understand, in the light of the unfortunate increase in committals elsewhere throughout Canada. Three additional penitentiaries are being planned by the federal authorities in Canada, and bigger, and I trust, better gaols seem to be the order of the day in all provinces in this country.

I like to think that our corrections programme, and the general improvement in the security of our people along economic and social lines has something to do with this decrease in our gaol population. It is not due to a declining provincial population, for by the end of this year we will have recovered the 100,000 population we lost in the '30's and early '40's under the previous administration. It seems to me that this rapid recovery in population and growth of our cities is most gratifying. It is being accomplished in the face of the continued mechanization of agricultural industry, which results in larger and fewer farm units, and to my mind it is the best proof that the industrial era of expansion is well under way in Saskatchewan, and this poses other and more complex problems in delinquency. The time to meet and solve these problems which industrialized is going to bring on is now, before they get out of hand, as has been the case in a highly industrialized and highly populated cities and areas elsewhere on this continent.

Mr. Speaker, capital punishment is very much in the news these days. Two years ago we appeared before the Parliamentary Committee on Capital Punishment, and Flogging, and declared our views in Ottawa. Now, the fact that hanging belongs to the past centuries, to a more savage and brutal age, and the fact that you and I may be personally opposed on moral grounds to hanging, or to capital punishment; and also the fact that those states and countries which have discontinued capital punishment, have declared that capital punishment is not a deterrent to crime. I don't think that any of these things need enter into it. But the fact that the carrying out of the death penalty in one of our institutions devoted to the correction of the inmates, is damaging to any correctional programme in that institution, that is of paramount importance, as far as I am concerned. On instruction from the Cabinet, I wrote to the Federal Minister of Justice, the Hon. Stuart Garson on February 8, requesting that the province be relieved of carrying out the death penalty in a correctional

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institution. I will not read my letter to him, but his reply of February 14th contained in this significant paragraph:

“I have noted your comment on the matter of carrying out executions in a provincial gaol, and without embarking on an argument of the matter at this stage, I think it is fair to say that equally strong reasons could be put forward as to the undesirability of undertaking execution and penitentiaries.”

This is an admission I am pleased the Minister of Justice has made.

This, and also in view of the decision of the Parliament of Great Britain to do away with capital punishment, makes me hopeful that the death penalty will be done away with in Canada, and if it isn't, then I am hopeful that our recommendation to Ottawa for the establishment of a central institution will be adopted for that purpose. It could be quite small and quite inexpensive, and be used for the carrying out of the death sentence, so that it would not disturb any of the institutions having correction programmes in operation.

Now, because crime and penal matters of all kinds are very much in the public eye and mind, Mr. Speaker, I have dealt at considerable length with the Corrections Branch. But it is only one of many branches of my department which are of equal or greater importance, and I suppose in the matter of numbers of our citizens affected, and because of the love and esteem in which we hold the senior citizens of this province, possibly old-age security should take first place among our programmes.

‘Honour thy father and thy mother, that it may go well with thee on the land’ is an excellent commandment for governments to remember, as well as individuals. Now, what constitutes an overall old-age security programme? Briefly, pensions, hospital and health services for the acutely ill, nursing care for the chronically ill, and adequate housing and nutrition for the ambulatory. Those are the four fields in any worthwhile over-all old-age security programme.

In the matter of pensions, Mr. Speaker, they are too low. It seems to me that a nation that can expend more than \$2 billion a year on armaments to protect the institutions of the nation, can afford to spend more than \$40 a month on an aged citizen who has spent a life-time in the service of that nation. Last September we increased the supplemental allowances to some 8,000 pensioners. This group is now getting an average supplemental allowance of \$8 a month. Another 9,000 are receiving \$2.50 a month, but the supplemental allowance is not the important thing. These 17,000, together with their 4,000 dependents are also getting free hospitalization and medical services, and a total of 25,000 pensioners are getting free hospitalization.

With the completion of the Regina nursing home this year, we will have spent over \$3 million in the past four years in the construction of nursing homes for the chronically ill. This is the only province in Canada which has embarked on a programme of government-built and government-operated



nursing homes. This year we shall have approximately 700 beds at a net annual operating cost of approximately \$1 million. The cost to the patient is one of our provincially-operated nursing homes is \$40 per month, which is the lowest by far, on the North American continent.

But possibly the most important development in our old-age security programme is in the field of housing, which consists of low rental, self-contained units or suites for the married, and hostels with common dining rooms and kitchens for the single. The self-contained units provide approximately 500 square feet of living space, and they include sitting room, bedroom, bathroom, kitchen and dining area. They are all heated by oil and gas, and are provided with electric stoves and refrigerators. The hostel may contain accommodation for married couples, but it is primarily intended for single persons, many of whom will be the single survivors of married couples who have hitherto occupied self-contained suites. This accommodation, whether in the family units or the hostel, is well within the pension and the supplemental allowance of our married and single aged people.

Just a word about Pioneer Village of Regina. After a year's negotiation a contract has been let for an initial 100 homes at a cost of less than \$5,000 per home. The project will also include Government House as a hostel for some 70 to 75 single persons. The committee in charge has done a wonderful job, but special mention and praise must go to the chairman of that committee, Mr. Dan Stock, who is also the architect of the project. When I approached Mr. Stock a year ago and outlined this project, he offered the services of his firm for nothing. He has been even better than his word, and will undertake to oversee the construction of Pioneer Village. This individual has saved Pioneer Village between \$30,000 and \$40,000. I merely point him out, because he is just one of many, many citizens of this province, who are giving of their time, money, skill and energy for this stage of Saskatchewan's security programme for aged people.

Since the Government announced an assistance programme for housing for the aged less than three years ago, six projects have been completed; eight are under construction, or contracts have been let, and 22 agreements are being negotiated, with others to follow. Saskatchewan, I am sure, will not rest content until every aged person in this province in need of the security of decent housing, nutrition, and care will be looked after.

The largest project for which tenders have been let is Jubilee Heights in Saskatoon, because that comprises a hostel to take care of 100 guests, as well as an initial 100 self-contained units for married, aged couples.

I wish to congratulate the Kindersley area. They are opening a fine, new home there next month and also your constituency, Mr. Premier, which is opening their home also next month in Radville.

You know, one hears a great deal about freedom nowadays. There can be no real freedom without security, just as there can be no Christianity, it seems to me, unless it is practiced. That is what I like about this province and its people. We are by no means a wealthy province, yet within the limits of our finances, and the progressiveness and initiative

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of our people, which seems to be limitless, we have established the four freedoms here to a degree that we are the envy of less fortunate states and provinces. That, indeed, Mr. Speaker, has been probably the most important role of the people of Saskatchewan and their C.C.F. Government. The fact that Saskatchewan has prodded Ottawa, and other provinces and possibly other states of the Union to the south of us, into emulating us, and emulation, of course, is the highest form of flattery.

Here is a letter from the sub-committee on housing of the House of Representatives at Washington, D.C., and this is what the counsel for the committee writes me under date of January 30th:

“It has come to the attention of the sub-committee that the Canadian Government, both locally and nationally, have embarked on an extensive and comprehensive programme to provide adequate, decent and safe housing for her elderly citizens.

“Your province has been able to carry out this programme under Section 16 of the National Housing Act of 1954, and more particularly by the enactment of the Department of Social Welfare and Rehabilitation Act.

“I am writing at this time to obtain if possible several copies of the Department of Social Welfare Act, and also to inquire into your experience in the field of housing for low-income elderly citizens.

“Your information and suggestions will be of tremendous aid to me and the sub-committee, inasmuch as you have, no doubt, had some valuable experience in this field.”

Now, he (the counsel) had evidently written to Ottawa to find out what this nation was doing in this regard, and had been referred by Ottawa to the Saskatchewan Government. I merely have mentioned this letter as an indication that Ottawa and Washington consider that Saskatchewan again leads the way in still another phase of social progress, and I am taking this letter to Ottawa with me when I go there, to plead for the removal of certain restrictive features of the National Housing Act, which is making it extremely difficult, almost impossible, for many communities who wish to enter into housing projects, to go ahead with them. Surely Ottawa will want to make good its boast to Washington that, “this nation has embarked on an extensive and comprehensive programme to provide adequate and decent and safe housing for our elderly citizens.”

If time permits (and I hope it does), I should like to deal with the programme which was introduced last year, known as the Disabled Person's Allowance. This is a shared programme on a basis of 50-50 between the federal and provincial governments. The provinces are required to administer the programme under regulations imposed by Ottawa, and to make assurance doubly sure that the provinces do not get away with anything, the Federal Government appoints a representative to the two-board medical referee board, and also imposes a strict audit. The Disabled Person's Allowance, Mr. Speaker, is not the right term. It should be called the ‘Helplessness Allowance’, for if any applicant

is capable of even feeding himself, or brushing his teeth or putting on his pants or walking a few steps, or even getting around in a wheelchair, he is disqualified. He must be completely, utterly and totally disabled, even to the point of being unable to feed himself, in order to qualify for this allowance. The fact that he has never worked a day in his life, nor ever will, doesn't make him eligible and for the reasons I have given, only 701 out of the 1,900 carefully selected applicants have been granted this allowance in Saskatchewan. Many of these recipients receive social aid, the payment of which is shared 50-50 with the municipality, and it is to relieve the municipalities of their 50 per cent, that we have pressed Ottawa to accept responsibility for the allowances for those who are determined to be disabled to the point where it is physically impossible for them to work, and to earn a living.

The remainder of our disabled persons, those who through treatment and training, may be rehabilitated, we think should receive the allowance during the treatment, and training period. Now, through our rehabilitation programme we are discovering that many disabled persons response to proper treatment and training, and are capable of earning their own living. We have been keeping statistics on a group of 136 who had received treatment and who had been trained several years ago and their annual earnings have averaged \$183,000. Why, the income tax on that alone is sufficient to pay for their treatment, and training but unfortunately, Ottawa gets the taxes, and we get the expense. But this isn't the important thing, it seems to me. The fact that these people have become dignified citizens, paying their own way, contributing to society, living normal lives - these are the considerations that matter.

I should like to deal with our Mother's Allowance programme, on which we shall spend over \$1.5 million during the coming fiscal year - just three times the amount expended in the last year of the Liberal administration. And, we must add to this free hospitalization and medical services which was nonexistent under the Liberals. As of January 1st of this year, 2,500 mothers and 6,500 children were benefiting by these services.

In the last fiscal year, a total of \$1.5 million - \$1,540,000 to be exact - was spent on social aid, of which the provincial government paid \$1,142,000 and the municipalities, urban and rural, paid a total of \$398,000. Now, the deal offered by Ottawa, on a take it or leave it basis, at the Dominion-Provincial Conference on Unemployment last year, certainly bore little resemblance to the 1945 Greenbook proposals. Then Ottawa said, 'You take care of the unemployables', 'Ottawa, will look after the unemployed employables'. Now, Ottawa says, 'You take care of the unemployables' - (that is approximately .45 per cent of our population) 'and we will share 50-50 on the remainder, which are the unemployed employables'. Well, irrespective of our disappointment, and irrespective of the fact that we have assisted and relieved the municipalities in many areas, untouched by Liberals in their day of office, we shall shortly announce further assistance to municipalities with respect to social aid.

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Possibly the most carefully planned and the best serviced branch of the Department is child welfare. It involves the discovery of neglected or potentially neglected children; it involves their care, their placement in foster homes, in adoption homes, or in a treatment centre, if they are seriously disturbed. It also involves their health, their education. It involves services to unmarried mothers and to inadequate homes which are in financial or other difficulties. Child welfare is the most difficult, the most exacting, and yet at the same time it can be the most rewarding of all the branches of my department. Because our clients are youthful they have a whole life-time ahead of them; a life-time that may end up in success or failure, happiness or tragedy, and that is the challenges that makes this particular branch of such great importance, and of such great interest.

Now, Mr. Speaker, out of your long experience in the political life of this province, I am sure you will agree with me that a government should reflect the aspirations and the mature thinking of the people, and it also should meet the needs of the people. The C. C.F. Government of Saskatchewan, elected in 1944, was the culmination of many years of study, thinking, planning, struggling on the part of tens of thousands of grass-root farmers, of workers, of professional businessmen and women - men and women who in their knowledge, in their initiative, and enthusiasm, had so outgrown the 'do-nothing' government of that day, that they cast it aside and created a governments to their own liking.

And when we speak of the C.C.F., Mr. Speaker, and its achievements, as we do with pride and confidence, we do not refer to the Premier and to the Cabinet, but we prefer to the people of this province whose instrument that Government is. We speak of the people who thought and fought their way through to victory over reaction, vested interest, and lethargy, and then selected a group of men to bring their plans to fruition. The Opposition and the Liberal Party have made their stand clear, here in this House and on the platform, and through the press – notably 'The Leader Post'. If elected to office, they will alienate from the people our vast and rapidly developing natural resources.

**Mr. McCarthy (Cannington):** — You're coming near to election time.

**Hon. Mr. Sturdy:** — Yes, and you would sell out to private companies the gas distribution. You have given notice of that.

**Mr. Cameron (Maple Creek):** — Attend to your own government!

**Hon. Mr. Sturdy:** — And who knows but what you would sell out power and lights as has happened in Alberta and British Columbia, where it is under private enterprise. They would 'throw out the window' (that's a favourite expression of theirs), our automobile and our government insurance - they have given notice of that, too. They would so restrict and mismanaged our hospitalization and health service so as to bring them into disrepute, as was done in British Columbia under the Liberals, and so destroy that wonderful service. They would wreck our many social welfare programmes, because I am confident that they are not interested in "humanity first".

I am afraid, too, that they would return this province to the lethargy, the backwardness, yes, and to the despair that existed in this province at the time they were let out. It occurs to me, Mr. Speaker, that the people who thought and planned so well, down through the years, would not wish the fruits of their labour to be destroyed, or to wither on the vine. From here on, until the election, the Liberal Party will make innumerable and impossible promises. They will promise to retain, and make better everything that has been achieved during the past 12 years, with every intention - maybe not deliberate, but through ineptitude - of destroying these self-same programmes. They remind me of the chap who was arrested for robbing a bank. His defence was that he was only trying to steal a kiss from the good-looking cashier, and just as that man's plea failed to impress the judge, I am sure that the Liberal Party will fail to impress the electors, come the next election.

**Mr. McCarthy:** — A cry of distress!

**Some Opposition Member:** — An awful lot of wishful thinking in that, too.

**Hon. Mr. Sturdy:** — I do not indulge in wishful thinking, nor in ill-conceived action, either. Mr. Speaker, I shall support the Budget.

**Mr. R. A. Walker (Hanley):** — Mr. Speaker, having heard some eight Budgets read by the Provincial Treasurer (Hon. Mr. Fines), I can once again say as I have said in the past that I sincerely congratulate him upon the results of his efforts in preparing that budget. The people of Saskatchewan are to be congratulated in having a Provincial Treasurer who has so successfully guided the financial ship of this Province over the past 12 years.

I think, Mr. Speaker, it is a tribute to the Government, to the soundness of its management, and the wisdom of its financial policies that today we have a Budget amounting to some \$87 million on current account, an increase of some \$7 million from last year, without the necessity of imposing any additional tax burdens upon the people. That increase shows a radiant glow of health in the financial economy of this Province, and I think that it is fair to say that that is a result of the diversification, and the expansion of the non-agricultural segment of our economy.

I was very pleased to hear in his address last Monday that now in this Province we have approximately 40 per cent of our economy based not upon agriculture, but upon this development of our other resources. That compares, Mr. Speaker, with some 22 per cent of our economy which was non-agricultural 12 years ago, and that to my mind explains why it is possible for him to demonstrate such a splendid financial state in 1955, when we have been beset, and our farmers have been beset by falling farm prices, and rising farm costs.

**Mr. Lopton (Saltcoats):** — How come. . .

**Mr. Walker:** — It is no secret, Mr. Speaker, . . . well there are three of them present over there, and all three of them are able to interrupt

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someone else making a speech, but I am waiting with a good deal of interest to hear what some of them have to say about the pressing problems facing agriculture in this Province. In spite of having seven vacant seats over there they manage to make quite a lot of chirping - eight, I am sorry.

**Some Opposition Member:** — You have quite a few yourself over there.

**Mr. Speaker:** — Order!

**Mr. Walker:** — Mr. Speaker, . . .

**Mr. Lopton:** — A bigger percentage . . .

**Mr. Speaker:** — Order!

**Mr. Walker:** — The fact is, Mr. Speaker, that the farmers of this Province know only too well that net income has declined by some 70 or 74 per cent since 1953. They know that their financial adversity is the result of the policies of the Federal Government. I do not propose in the debate on this Budget to involve myself in the discussion of Federal matters. I think that I can quite easily devote my allotment of time to dealing with provincial affairs, as raised by the Provincial Treasurer in his Budget address, and as raised by the financial critic, the member for Maple Creek (Mr. Cameron) in his reply.

I want to welcome the increase in school grants that are shown in this budget of some \$ 1¾ million. The computation of the result of this increase so far as it affects my constituency, Saskatoon East School Unit, comprising about 80 per cent of that constituency, shows that Saskatoon East will receive approximately \$10,000 of additional grants in 1956, over what they received last year. That is the second year in a row that Saskatoon East School Unit has received a \$10,000 increase in grants. That represents to that unit approximately one mill on its assessment. That will mean, I hope, that Saskatoon East School Unit can once more provide a better programme of education for its ratepayers without an increase in the mill rate.

The people of Hanley constituency are grateful for the inclusion of the 'market grid road programme' in the Government's programme of this year. The municipalities of that constituency have long been struggling against the usual difficulties of providing a well knit and integrated market road programme for many years. They have gone through many years of Liberal administration in this Province, where they received little or trifling assistance in a financial way. This year they are looking forward eagerly and with confidence to inaugurating that programme in nearly every municipality. I may say, notwithstanding some of the things that have been said in this House by the Opposition, that the municipalities of my constituency welcome this programme enthusiastically.

They are well aware that under this assistance programme this Government will be spending approximately \$2,000 on each and every mile of that grid network. This Government will be contributing \$2,000 per mile to approximately some 200 miles of grid road. Two hundred miles

of the grid road in that area will provide all-weather outlet for the overwhelming majority of the farm population in the Hanley constituency, and they look forward to that with enthusiasm, and they welcome it. Their only regret is that it will take 10 years to complete the programme, but we in Saskatchewan know that Rome wasn't built in a day, and that you can't have everything all at once. We know too that you can sit waiting patiently for 38 years under Liberal governments and get absolutely nothing; so that if we get that programme completed in 10 years, we will have made not only striking progress, but astounding progress, compared with the kind of thing that happened under 'do-nothing' Liberals.

We are one of the more fortunate constituencies, having about 200 miles of provincial highways within its boundaries. That mileage has been reconstructed and surfaced to a very large extent. However, there are still two main Provincial highways which are almost in the condition which nature made them, because the Liberals didn't do much to improve them during their years in office, and I am very pleased to be able to say that I have the assurance of the Minister of Highways (Hon. J. T. Douglas) that we will not have to wait too long to have those two highways reconstructed. I know he fully intends that they shall be reconstructed and resurfaced within a few years. In the meantime with very excellent maintenance, those roads are being kept open and serviceable to the people of that constituency throughout most of the year.

I want, as a member of the Legal profession, to express my gratitude to the Government for having included in the Budget this year a sum for the commencement of a new Court House in Saskatoon. I know that Court Houses probably do not strike the same note in the minds and hearts of all hon. members as they do those of the legal profession, but those members of the public who had to use the Court House in Saskatoon were simply appalled at its inadequacy. We are very grateful for the fact that this Government is doing something to remedy that situation and to provide us with decent and dignified facilities for the administration of justice.

Mr. Speaker, in spite of this evidence of a growing, expanding programme, to meet the growing needs of the people of Saskatchewan, we are able to see by our financial statement that the affairs of the Provincial Treasury are in very good hands. We heard in the Budget address of the Provincial Treasurer of the net debt of this Province has declined still further. Twelve years ago this Province had a dead weight debt of some \$177 million. Today it is approximately \$70 million, an improvement of \$107 million in the space of only 12 years.

I know that the member for Maple Creek finds those figures very unpalatable. Anything that is unpalatable to him, of course, he opposes, and naturally the record of this Government is unpalatable in his eyes. I know that the member for Maple Creek would like to have us include in our debt figures monies borrowed for self-liquidating projects, such as Power and Telephones.

**Mr. Cameron (Maple Creek):** — Now you are talking.

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**Mr. Walker (Hanley):** — I think it is fair to say that the people who judge the credit of Saskatchewan welcome the expenditure of capital monies in Power and Telephones, because they say it improves our credit position. Those investments are not a burden upon the people of Saskatchewan, they are a self-liquidating investment in machinery providing utilities for our people, and they do so without any subsidy or assistance from the general taxpayer, and for that reason those investments result in a better financial picture for the Province. The fact that we now have invested in revenue-producing enterprises some \$129 million has actually made the debt position of this Province better than if we didn't have those revenue-producing enterprises.

The fact is, Mr. Speaker, the \$70 million of net dead weight debt is less a burden than the \$70 million of dead weight debt in Crown Corporations, it is an asset. It is an asset which pays off not only in service to the people of this Province, but pays off in a direct financial way to the Government of Saskatchewan.

Then, of course, there are the Crown Corporations which are commonly known as the 'C.C.F. Corporations'. I am pleased to learn that they have had a very satisfactory and successful year. I am pleased to learn that they have produced net profits, after depreciation, of something like \$1¼ million this year. They have produced something like 14 per cent of a return on the money which the people of Saskatchewan have invested in them. I say that if Saskatchewan can invest money so profitably, we ought to invest more, and the more we invest, the better off the taxpayers and the people will be.

**Mr. Danielson (Arm River):** — Hooray!

**Mr. Walker (Hanley):** — I know that my hon. friends opposite find it very uncomfortable to think that those enterprises which they have deplored, those enterprises which they have criticized and condemned all through the years are a financially solvent link in our economy. I know they don't like it when those enterprises are proving their success. The hon. member for Maple Creek, in his Budget address, gathered up a bunch of newspaper headlines and added them together, and he said that the Government has represented the profits of Crown Corporations to be around \$42½ million in the last 10 years. Well, Mr. Speaker, I would suggest that if he would throw away his newspaper headlines and pay some attention to the audited financial statements issued by those Corporations, he would be in a better position to judge their success or failure.

**Mr. Cameron:** — What about the 'Saskatchewan News'?

**Mr. Walker (Hanley):** — As a matter of fact, Mr. Speaker, this Government doesn't take any responsibility for anything that appears in newspaper headlines in the press of this Province. I am sure that my hon. friend opposite has more control over what appears in those headlines than we have.

**Mr. Cameron:** — Not the 'Saskatchewan News', I don't have.



**Mr. Walker (Hanley):** — If in 1954 we reported a cumulative surplus in the C.C.F. Corporations of \$5 million, a cumulative surplus originating back in 1946, and accumulated up to 1954, today when we say we have an accumulative surplus of \$6 million, my hon. friend adds the two together and says “now you must have \$11 million.” If that is the kind of financial wizardry that he is going to put into a Liberal government in Saskatchewan, the people of Saskatchewan would be well advised to keep away from it.

Then, of course, he laments about the fact that out of this 14 per cent we have got to take something for interest. Well, of course, let him take his interest. If the people of Saskatchewan can invest nearly \$10 million in enterprises, which will produce interest and still produce 10½ per cent of a net return after payment of interest, it is just as good. It doesn't matter how you say it, Mr. Speaker, it is still good. He would like to, of course, diminish the record of these Crown Corporations, to try to make it disappear altogether.

“Why,” he says “you must take off the \$498,000 that you have given in Government grants to some of these Corporations.” Half-a-million dollars, paid for example to the Fish Marketing Service, to subsidize the fishermen in Northern Saskatchewan. Oh, I know my hon. friend sheds crocodile tears about the “blight that the C.C.F. Government has cast over Northern Saskatchewan”, but when we pay a subsidy to the fishermen of Northern Saskatchewan of \$2½ million, he wants to try to make political capital out of it. He is opposed to it. He's really not in favour of bringing better living conditions to the people of that part of the Province.

Then, of course, he wants to talk about the assets which were purchased from the Crown Corporations which are no longer functioning, and he said they came to \$474,000, and he says “you should write off half of it for depreciation.” Well, the fact is, and he ought to know it because he was on the Public Accounts Committee last year, that those assets are worth more today than when they were bought by the Corporations in 1946 and 1947. The Government has actually made a profit by owning the real estate that was used in those Crown Corporations. Instead of a loss, we should be counting an additional profit for the increase in value that has accrued to them since that time.

Then, of course, he wants to take out this matter of interest. Well, the Crown Corporations as we were told last Monday have now turned back into the Treasury of Saskatchewan something over \$6 million. Let him add on some interest for that \$6 million that the people of Saskatchewan have made in profits out of those Crown Corporations. That \$6 million is being used profitably by this Government, year after year, and it is worth money, it is worth interest to Saskatchewan to have the use of that \$6 million, not only for this year, but forever. Let him add that interest on, if he wants to get particular about interest.

So he tries to reduce the profits from \$6½ million down to about \$2½ million. After he has taken off everything that even he can imagine, he still has to admit that the Corporations, after paying

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everything that he wants to charge against them, have still produced \$2,300,000. That money he is willing to acknowledge grudgingly, though, is a windfall to this Province financially. I suggest that if he would get a little more realistic about the financial picture of these Corporations, if he would take a little more pride in the achievements of this Province, he would be more prepared to give credit where credit is due.

And then, of course, he had something to say about the Government Insurance in the concluding part of his speech. He said "the situation is this, that if a party in Saskatchewan driving a car is hit by another Saskatchewan driver who was driving recklessly, the innocent party in the accident must pay the first \$200 of the property damage to his car." And that is correct, the Government pays the balance. And then he says, "if the 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." He is very concerned about reckless drivers in Alberta, he thinks it is discrimination. He goes on to say:

"Now 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 who goes into Alberta, but our own car drivers in Saskatchewan we nick them for the \$200 deductible."

Well, Mr. Speaker, just what is this public liability and property damage insurance? It is insurance which this reckless driver, that he is concerned about, would have to pay out of his own pocket.

**Mr. Cameron:** — Any driver?

**Mr. Walker (Hanley):** — It is money which he is legally liable to pay, and every time the insurance office pays those claims it is relieving that driver of that financial responsibility, so that it is protection to Saskatchewan motorists. Saskatchewan motorists used to be discriminated against when they went into other Provinces. Other Provinces opposed to our insurance scheme used to refuse to accept it as coverage in those Provinces, and used to require Saskatchewan motorists when going there to take out additional insurance, or run the risk of having their cars impounded.

Now in order to protect Saskatchewan motorist from that kind of discrimination, this Government extended the property damage insurance so that there would be no deductible for Saskatchewan motorists when they are in those Provinces, an attempt by this Government to eliminate the kind of discrimination that other Provinces were willing to thrust upon our motorists. I suggest that it was as a benefit to the people of Saskatchewan, that it was enacted, and it has worked with that result. My hon. friend, of course, is more interested in undermining the effectiveness of this insurance scheme, than he is of worrying about discrimination. Discrimination is what he believes in, discrimination against the Automobile Insurance Act. At the beginning of those remarks he said:

"I will be frank with you and say that I didn't know that that clause was in the Act."

Well, Mr. Speaker, I have here the pamphlet he got last year with his license; on page nine it says:

“Every Saskatchewan motorist is protected against losses of this kind, (property damage) to a limit of \$2,000 in any one accident, but a deductible of \$200 applies in Saskatchewan.”

So that if my hon. friend didn't know it, it is because he isn't keeping up with his reading.

**Mr. Cameron:** — Does it say anything about Alberta there?

**Mr. Walker (Hanley):** — It says that: “\$200 deductible applies in Saskatchewan.”

**Mr. Cameron:** — That is right.

**Mr. Walker (Hanley):** — Which means that Saskatchewan motorists have got additional protection when they go into those other Provinces. It is not discrimination against Saskatchewan motorists at all. It is giving them additional protection, which they require, and it is giving them this protection because those Provinces attempted to discriminate against Saskatchewan motorists, because those Provinces required a pink slip. Unless you produced that pink slip your car would be impounded, the first time you scratched a fender in those Provinces, and it was to relieve Saskatchewan motorists of that inconvenience and to protect them against that discrimination, that that provision was put in the Insurance Act. My hon. friend goes on to say:

“No insurance company in any Province anywhere in the Dominion of Canada can put a deductible of \$200 on property damage.”

And then he goes on:

“This was outlawed in every other Province since the ‘thirties.’”

I would be very glad to see some of the laws to which my hon. friend referred. There is no such law in any Province that I am aware of, prohibiting the sale of \$200 deductible property damage insurance. If my hon. friend can produce it, I will eat it. As a matter of fact there is no such law, and this suggests another example of my hon. friend's loose talk about things which he thinks we won't see through.

**Mr. Cameron:** — Do you know of any Province that has it?

**Mr. Walker (Hanley):** — I am just quoting what my hon. friend said. If my hon. friend isn't prepared to stand behind what he said, then let him get up and apologize for having said it. My hon. friend can wiggle all he likes, but he said it, and let him stand behind it. He said it was outlawed, he said it twice.

So, Mr. Speaker, this kind of reckless misuse of the truth, this kind of perversion of ordinary facts is the kind of thing which the Opposition thinks is fair and honourable criticism of this Budget.

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My friends across the way had something to say about the loss in population. I remember when Mr. Tucker was leading the Opposition, he was able to point out that Saskatchewan had a population loss up to 1948, from 1944 to 1948.

**Mr. Danielson:** — Correct.

**Mr. Walker (Hanley):** — Correct, that is right. If you take the four years from 1944 to 1948 there was a net loss. But let my hon. friend look at the whole picture. In 1931 the population of this Province was 932,000. In 1944 the population was 843,000, a decline of about 90,000 people. And, in addition, to that 90,000 decline, of course, they lost the natural increase entirely, the entire natural increase, and my hon. friend is concerned about immigrants who pass over Saskatchewan. They all must have passed over Saskatchewan in that period, and well they might. The figure today, of course, is that from 1944 the population has increased from 843,000 to 905,000. An increase of about 60,000 or more people. And now they are not so much worried about whether the population increases, but they are worrying about the natural increase. Yes, you just can't win.

**Mr. Danielson:** — You can't do anything about that any more.

**Mr. Walker (Hanley):** — While it was the population that was declining, they were full of “hot air” and fury about the declining population. Now that the population is increasing, it is something about the natural increase. Well, Mr. Speaker, you can't please them, you just can't please them.

The fact is, however, that not only did we arrest the emigration from this Province, but we reversed that trend. That I think is a fact which ought to be recognized. We reversed the trend, and we started an increase in population in this Province. We attracted new people to this Province, and we keep a part of the natural increase which is something my hon. friends opposite didn't do when they were in office.

Now, the member for Maple Creek quoted some figures, which he thought showed that this Province wasn't doing as well as Alberta, or Manitoba. Mr. Speaker, nobody on this side of the House has ever tried to make out that in Saskatchewan we have been developing secondary industry at a more rapid rate than some of the other Provinces in Canada. What we have attempted to convince the people of this Province and the Opposition was that now we were beginning to have a very important increase in our industrial segment. That now we were beginning to have an increase in mining production, manufacturing, and all those secondary industries. My hon. friend doesn't want to compare Saskatchewan now with Saskatchewan in 1944, and for a very good reason. The comparison doesn't look very good for the Liberals. In 1944 this Province was on the brink of disaster, this Province was bankrupt in 1944. But I suggest if my hon. friend . . .

**Mr. Danielson:** — You owe more money now than we did.

**Mr. Walker (Hanley):** — I suggest if my hon. friend . . .

**Mr. Danielson:** — . . . \$55 million . . .

**Mr. Speaker:** — Order!

**Mr. Walker (Hanley):** — I suggest my hon. friend look at how this Province compared with Manitoba and Alberta in 1944, if he wants to make a comparison. I have here the Canada Year Book for 1945, and I find that, - just for an example, - that salaries and wages paid in manufacturing industries in this Province in 1942, the year reported in this year book, we paid total salaries in this Province of \$3,700,000 to all non-farm population. Alberta was \$6,200,000, Manitoba was \$11,202,000, - four times as much.

Or take wages, in Saskatchewan the total wages paid were \$8,700,000, Alberta \$17,700,000, Manitoba \$40,400,000 - five times as much, Mr. Speaker. And so that trend has been reversed. Those Provinces instead of developing and progressing at a rate of five times as much, that rate is much lower today. This Province is now beginning to catch up the lag that it suffered during the period of Liberal government.

The Leader of the Opposition (Mr. McDonald) (I am sorry he is not in his seat) had occasion to make a speech at Saskatoon, and I don't know where he got his self confidence, but this is the kind of thing he said. This is from the 'Star-Phoenix':

“Saskatchewan has not had its full share of the rapid industrial development of the post-war years’, Provincial Liberal Leader, A. H. McDonald, declared Thursday night.”

And then the story goes on to say:

“How come we have no steel industry in Saskatchewan?”

How come, Mr. Speaker? I will tell you how come. The steel industry in this Province would depend for its existence upon a well developed manufacturing industry. Steel is secondary to manufacturing, and unless there is a market for steel there will be no steel industry. There must be a large and steady consumption of steel . . .

**Mr. Cameron:** — . . . the Budget speech.

**Mr. Danielson:** — Read the Budget speech.

**Mr. Walker (Hanley):** — . . . of raw steel, by secondary manufacturing industries. How come we have no steel industry in Saskatchewan? I take it he is talking about basic steel, and the manufacture of raw iron ingots.

But if he is talking about fabricated steel products, then he just doesn't know what is happening in this Province. We have industries now in this Province which are manufacturing out of iron. My hon. friend had better get himself a little bit up to date. And the reason why we have no large well established blast furnaces in this Province, is because after 38

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years of Liberal neglect, after four years of discrimination against this Province by the Hon. C. D. Howe, when he was Minister of Defence Production, we didn't get any manufacturing industries during that time. Unless you get those manufacturing industries, you won't get blast furnaces, and a basic steel industry. My hon. friend ought to get himself acquainted with the facts. Then he says:

“How come we have no petro-chemical industry in Saskatchewan?”

Well, there again Alberta was a leading producer of petroleum products from 1912. Alberta was producing oil in fairly substantial quantities in 1944. This Province wasn't producing a single barrel. This Province started out in 1947 or 1948, about where Alberta was in 1914. This Province didn't have a well established petroleum industry, and without an adequate supply of petroleum and so on, you are not going to get a petro-chemical industry established. This Province is just now doing what a Liberal government should have been doing 30 years ago, Mr. Speaker.

How come we have no sugar beet industry in Saskatchewan? Well, Mr. Speaker, sugar beets are grown in irrigated areas. How come we have no irrigated areas? I suggest that if he would turn his eye away from the swimming hole and start thinking about the South Saskatchewan Dam as a cornerstone of industrial development, instead of a cornerstone of political expediency, we would have those market garden industries, sugar beet industries, and so on. That is the kind of thing which this Government believes in, a well developed and integrated economy. That is the kind of thing which this Government is prepared to invest \$60 million or \$70 million of the people's money in, but the party opposite apparently does not have that confidence in Saskatchewan.

My hon. friend opposite had quite a bit to say about education. “This \$12½ million in grants”, he says, “is a mere nothing. Why this \$1,700,000 increase in school grants is just a trifle, just nothing. Why it is only enough”, he says, “to restore the proportion of education costs borne by the Provincial Treasury back to 25 per cent.” In the course of his speech, on page 14, he says:

“The cost of operating the classrooms of this Province is \$29 million.”

If \$29 million is the cost of operating the classrooms in this Province, \$12½ million is certainly more than 25 per cent. I don't know who does his arithmetic for him, but I suggest he buy himself a simple calculator or something and start figuring out those percentages a little better. I submit that that kind of hooliganism doesn't meet the needs and demands of the people of Saskatchewan. You can make wild and reckless, hair-raising statements, and all that it will accomplish for my hon. friends opposite is to still further discredit that muddy old vehicle that they have been riding for the last 12 years. Let them admit that the proportion of cost which the Province is paying is more than 25 per cent, substantially more. Then he says:

“The Province has got to pay 50 per cent of the cost of education.”

If his figures are correct, that means an additional \$12½ million, Mr. Speaker. I challenge the Opposition, when the estimates are before the Committee, to get up at point after point and show where they will get that extra \$12½ million. Oh, they are not saying we should do it in the next Budget, we should do it now. They say, Mr. Speaker, that we ought to call a Conference of municipal people this fall. That may be a good idea, but they say in the meantime we ought to be paying 50 per cent of the cost of education, which means that we ought to amend the present estimates to include an additional \$12½ million. Let them say where it will come from. I know where they would like to get it from, they would like to take it away from supplementary allowances for old age pensioners, for example. There isn't a single Liberal Province in Canada that is paying supplementary allowances for old age pensioners. They must think they are a bad thing, and they can get a couple of million there. Where are they going to get the other \$10 million? They don't really believe in a hospital plan. They vote against it, they talk against it, they criticize it. I remember in 1948, when I was out electioneering, Liberal campaigners were going around to people and saying:

“Look at this hospital plan, you had to put \$15 into it. A terrible, terrible burden of tax on you, your wife, and your son.

“Oh, but the farmer said, my wife was in the hospital last month. She was in the hospital for three weeks.

“Yeah, but what did you get out of it?”

Well, Mr. Speaker, they can go around condemning the hospital plan, I think they don't believe in it. I think they want to do away with it. I think they want to abolish free hospitalization, like they did in British Columbia. They can get \$10 million or \$11 million there. Let them tell us where they are going to get that extra \$12½ million, that they think should be paid in school grants this year. Let them tell us. The onus is on them. I want to hear what they have to say. I am sure other hon. members do too.

They then say that local governments have a right to have a larger share of the funds which are devolving to this Province under the Dominion-Provincial Tax Agreement. They say that this Province is not playing fair with its municipalities, and not giving to its municipalities assistance in proportion to the funds which we receive under the Dominion-Provincial Agreement.

Mr. Speaker, I find on referring to the Public Accounts for 1944-45 that this Province received \$9,319,000 total funds in subsidies from the Federal Government, subsidies and grants. This year the total payments under the Dominion-Provincial Tax Agreement, together with the statutory subsidy, all payments from the Federal Government, total \$29,500,000, or an increase of \$20,181,000 during that period. Now, Mr. Speaker, different speakers on this side have taken and made lists of the various items of assistance, increased assistance which we make available to municipalities. I have gone through the estimates, and I have made my own list. I would be glad if any member opposite would challenge any one of these items, if he doesn't agree, and I would be very glad to explain to him how it does apply today.

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First of all, I have already referred to the 'market road grid'. All hon. members know that this House stands ready to spend up to \$2½ million in the current fiscal year, if municipalities are prepared to use that much, in the market road grid programme. For municipal bridges our estimates are \$400,000. In 1944-45, the last Liberal Budget, only \$111,000 provided all told for bridges and nothing for the market road programme.

**Mr. MacNutt (Nipawin):** — What was that?

**Mr. Walker (Hanley):** — Nothing for the great road programme. You didn't have a grid road programme my friend.

**Mr. McCarthy:** — You said "nothing for the market road programme".

**Mr. Walker (Hanley):** — Nothing for the grid road programme in 1944-45. Market roads and local improvement districts, plus equalization grants and grants to municipalities in 1944-45 amounted to \$198,000. This year they total \$700,000. In 1944-45 prairie accommodation \$95,000; this year \$225,000. In 1944-45 \$3,200,000 for school grants; this year \$12,212,000 for school grants. Regional health services in 1944-45, they didn't give them anything; this year \$745,000. Tuberculosis grants and grants to hospitals in 1944-45 with \$750,000; this year \$790,000. Assistance cases \$15,000 in 1944-45; this year \$1,514,000. Social assistance in 1943-44, as you know, Mr. Speaker, was the sole responsibility of the municipalities, except for any emergency assistance the Province gave, and usually that assistance was secured by a note from the recipient, guaranteed by the municipality. It wasn't really assistance at all. Two million dollars was set up in a fund for that purpose that year. Mothers' allowances \$743,000 was set up in votes. Supplementary allowances to old-age pensioners, and old-age pensions, and old-age assistance totalled \$4,016,000 in 1943-44. Today those child welfare grants, which didn't exist in 1944, \$697,000; social assistance \$1,215,000; mothers' allowances \$1,563,000; supplementary allowances for old-age pensioners \$1,048,000; old-age assistance \$2,590,000; disabled and blind persons allowances \$480,000 (don't let anybody say that isn't of assistance to municipalities). The people were strictly dependent in those days on what was called relief, which was paid by the municipalities. Blind persons pensions \$202,000; grants to homes for the aged \$275,000; and then there are the payments under the Saskatchewan Hospitalization Plan. I know some of my hon. friends opposite don't like to admit that that represents assistance to municipalities. I say this, that a large proportion in those days of hospital cases were either paid by the municipality, or were not paid at all, and in cases when they were not paid at all, they were borne by the taxpayers at large in the hospital district, thereby increasing the local level of taxation. I say that these hospital payments ought to be reckoned in any scheme, or any computation of assistance to municipalities.

Suppose that we in this Province had the same kind of hospitalization scheme that they have in Alberta. In Alberta, as you know, the municipalities pay out of their own general revenue one-third of the entire cost of hospitalization. In this Province one-third of the cost of hospitalization would amount to \$7 million, so that if we had the kind of hospital scheme which they have in the Province of Alberta, the municipalities would have to find an additional \$7 million to pay their one-third. Altogether those estimates come to \$34,156,000 in the next fiscal year, compared with \$11,128,000



in the last Budget passed by the Liberals. And then, of course, that \$11,128,000 which was of direct assistance to the municipalities in those days you have to take off the \$1,800,000 of Public Revenue Tax, which this Province imposed as an additional burden upon the municipalities at that time. So that you have total assistance to the municipalities at that time of \$11,128,000 and you subtract from that the \$1,800,000 of Public Revenue Tax imposed on them, and you get a difference of \$9,328,000. The total amount of funds that were expended by this Government, less the amount of the Public Revenue Tax \$8,328,000 of assistance to municipalities, compared with \$34 million this year, or a difference of \$24,828,000 of a better deal given under the present Budget, than was given under the last Budget that the Liberals passed in 1944. Altogether that represents an improvement, as I say, of \$24,828,000. That's \$24,828,000 has relieved the municipalities of a direct financial responsibility. I say that that \$24,828,000 represents funds which it has cost of this Province to relieve the municipalities of burdens. That \$24,828,000 is \$4 million more than the increase in grants from the Federal Government.

But nobody who is acquainted with the facts, Mr. Speaker, should go about this Province misrepresenting the facts. Nobody should go out and try to convince her municipal friends that this Government is doing less than enough to assist them. I know and all hon. members know that municipalities, like all governments, have difficulty meeting their obligations with the revenues that are available to them. All governments have that difficulty, municipalities no less so than others.

Municipalities are undoubtedly entitled to get some adjustment in their tax base, or some other means of equalizing their revenues with their burdens. That will come about, no doubt, through amicable and friendly negotiations between this Government and them. But let nobody try to sow the seeds of discord in the minds of municipal men by saying this Government is being niggardly with the municipalities. That \$24,828,000 of additional assistance is, I think, a very, very creditable showing. I think that it ill-behooves anybody to go and try to make it appear less than a good record. There are, of course, many things which I might have included in this list, things about which there might be some doubt, but of the things which I have included there can be no doubt those are things which are distinctly and definitely of benefit to the municipal taxpayer at the local level.

Now, Mr. Speaker, I do not want to detain the House. I want to, however, just deal with one other aspect of the speech of the member for Maple Creek. He, together with his Leader, has been going around trying to sow dissatisfaction among the farm people with regard to our rural electrification programme. These people are going around now trying to detract from the very excellent farm electrification programme that has been carried into effect by the present Minister, the Minister of Public Works. (Hon. Mr. Darling).

I suggest that it is hardly moral for people who have a clear view of their own record to go out and try to represent that this Government's record is not a good one in the farm electrification field. Everybody knows, of course, that when it comes to financial matters with governments, there is no Santa Clause. Everything that we provide has to be paid for. Governments

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have no secret fountain of money. Governments must levy and collect every dollar that they spend, and when it comes to building and developing a power network, that is no less true. The Power Corporation has no magic source of revenue; when it is building rural lines they must be paid for, and they can only be paid for by the people who pay money into the Power Corporation in one fashion or another, either by an addition on the rates, or by some other kind of levy on land, or by means of an outright capital contribution. And the people of Saskatchewan through years of adversity have grown wary of debt. They have grown reluctant to accept obligations which have to be met, perhaps in less prosperous times, and the people I think who planned that the farmers ought to pay the cost of their rural lines, or part of the cost of their rural lines in a lump sum, were pretty wise. I think they saw or foresaw that the condition of agriculture might not always be as good to pay these obligations in the future, and I think the people of Saskatchewan are well satisfied that they paid for their rural of electrification hookup when they had the money to do it, rather than putting off the evil day to less prosperous times.

The \$550 more or less which they paid represents somewhat less than half of the cost of these rural distribution lines. If my hon. friends don't believe that, let them look at Alberta where the average farmer pays \$1,300 more or less to get a rural line brought to his farm, and in many cases much more. That \$550 represents about \$20 million of an investment. My hon. friends want to go out and pay \$550 to every farmer that has got power. Well, I remember when Liberals used to be able to get votes with a bottle of whiskey, now the price is up to \$550. That is a pretty high price to pay for votes, and of course, you can only afford to pay that high price when you know you will never be called upon to perform. The Liberal Party is now out trying to bribe 40,000 farmers with their own money in the amount of \$550 for the next election. Farmers are not that easily duped. The farmers of Saskatchewan know that if that \$550 is paid back to them, it will mean an additional debt to the Power Corporation of about \$20 million, - \$20 million on which the Power Corporation will have to pay interest.

My hon. friend from Maple Creek said something about the Power Corporation making exorbitant profits. The interest on that \$20 million would exactly use up the profits of the Power Corporation for last year. Of course, if the Power Corporation does lose that small profit of less than \$1 million which is made on electricity, then, of course, those Power Corporations debentures may very well become a direct liability to the people of Saskatchewan, and the wishful thinking of my hon. friend from Arm River may come to pass if that kind of policy is brought into being. The people of Saskatchewan are not in favour, I do not think, of that kind of juggling of their money. They have paid a reasonable charge for the hookup of electricity. They are getting their electricity at a rate which runs down to 1½ cents a kilowatt hour, just the bare cost of producing and distributing it. You can't do any better, Mr. Speaker. There is no way you can sell it for less. And they know that if they are going to add \$20 million to the indebtedness of the Corporation, an extra \$1 million a year expense to service that extra debt, that they are not going to be able to get electricity at the present low rates; and of course they have enough political sense to know that these promises are just like any other Liberal promises, and won't be kept probably anyway.

I remember two or three years ago the Liberals had a Convention and they were going to make the farmers rich by giving them the mineral rights on their farms. They said that they should give the farmers the mineral rights on their farms, and I recall that in this Legislature there was a debate on the matter, and it was pointed out to them that this was the kind of brigandage and banditry, which would really in effect rob the Treasury of the Province to enrich 50 or 100 farmers. Rob the Treasury of the Province of perhaps \$20 million a year, as would be the case in Alberta, if they had done the same thing, and I say this to the credit of the Liberal party, that at the next Convention they heeded that warning and repealed that section from their platform. Now they no longer have in their platform any section, any clause or any plank promising to the farmer a percentage of the royalties of any oil found upon his farm. I read their Resolution. It says something about compensating him for service rights . . .

**Mr. Cameron:** — You're wrong. You didn't read it right.

**Mr. Walker (Hanley):** — . . . but they have taken out the section of promising to the farmers a percentage of the royalties on their farms, and I think that they will eventually, after perhaps another one or two elections, see how silly this business is of giving the farmers \$550 for their votes, and I think they will probably take that out of their platform.

Some day they will grow up, Mr. Speaker, and they will realize that the people of Saskatchewan are not to be bribed with candy and lollipops. The people of Saskatchewan want to see a well-thought-out and integrated program carried forward in a sensible and businesslike manner, carried forward in a way which resounds to the better credit of this Province, to the accumulation of more utilities and more assets to our people, and that is the kind of programme which they are going to support. That is the kind of programme which the Provincial Treasurer has demonstrated he is capable of planning and preparing.

That is the kind of programme, Mr. Speaker, we are going to vote on in this Assembly when we vote, and I for one, am going to vote for that kind of programme. I invite the Liberal Opposition to put the welfare of the Province ahead of any of these spurious and petty notions of political advantage which they may have, and to vote for that programme to.

**Mr. R. A. McCarthy (Cannington):** — Mr. Speaker, in taking part in this debate, I want to say that I have been very disappointed that in neither the Throne Speech nor the Budget debate, has this Government given the attention and consideration to the problems of our municipalities, consideration to which they are so much entitled. In Canada we have, by our constitution, three levels of government, Dominion, Provincial and Municipal. The B.N.A. Act allots to the province the duty of making laws for the municipalities, and the municipalities are creatures of the provincial government, and responsible to them. This Government, since 1944, has continuously added to the duties and responsibilities of the municipalities in an ever-widening field, without at the same time giving them any additional revenue to carry on these additional duties.

I wish to discuss with you for a few minutes and some of the problems of our rural municipalities. Our rural municipalities are the forgotten children of this Government, and they should be ashamed of their treatment of them. The duties of rural municipalities are many and varied, but their

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two main functions are to provide roads and collect and remit school taxes. The major portion of the money collected is spent in rural municipalities, on those two services. Education, of course, primarily is a provincial responsibility, much of which has been delegated to the municipalities. This Government, in 1953, had the unenviable record of paying the lowest portion of costs of education as between provincial and municipal, of any province in the Dominion of Canada.

Providing roads within the boundaries of municipalities is the responsibility of the municipalities, but the ever-increasing part of the tax dollar that is being drawn off for other purposes, make it very difficult for rural municipalities to provide those services. We arrived at a position in 1952 where the rural municipality only received 27 cents out of every tax dollar collected for their own use to carry out their road programme. Of the balance of the tax dollar, 41 cents went to education; 11 cents to health and welfare and 18 cents to other services. That was in 1952. I believe today the share of the tax dollar that is left to municipalities for their road programme is less than 25 cents. When you consider that the average municipality has 480 miles of road allowances to look after, you can see that that 25 cents of the tax dollar is totally inadequate for that purpose. How often have we heard Government speakers say that sparse population and miles of road allowances are the reason for our slow progress. Well, the sparse population may be a factor in highway construction, but it certainly isn't in municipal road construction. After all, the money for road construction in a rural municipality comes almost wholly from land taxes, and it doesn't matter if you have 100 or 300 families in that municipality, you have the same tax base, the same number of miles of road to look after. In fact, if you had 300 instead of 100 you would probably have a little larger road problem because you would have a few more families to make roads for, so when they try to tell us the sparse population is a factor and reason we haven't roads, it is just so much political eye-wash! It just doesn't stand up.

Now, a few years ago this Government did recognize that it had a responsibility to the rural municipalities. In 1947, this Government set up a system of road grants in conjunction with, and upon the advice of the rural municipal men, and promised they would pay a \$500 flat grant to each rural municipality, plus an additional equalization grant, based on the assessment mill rate, and miles of highways, and a great many other factors. Had the Government carried out that promise, and added to it, our municipalities would be in much better shape than they are today. This Government has broken faith with the rural municipalities, and has gone back on their promises. Both in the 1948 and 1952 elections, they said they would pay a \$500 grant, plus equalization grant, and they have not kept those promises, Mr. Speaker. Since 1952 they have ceased to pay the \$500 flat grant, and the other grants have practically lost their equalization features. The net result has been that 138 rural municipalities received no grant in the last three years.

Now, just a word about this Public Revenue Tax that we hear some much about. This is a tax that the rural municipalities collected for the Government, and every cent of it was remitted to the provincial government, and to say that they gave it to the rural municipalities is just so much eye-wash! It is true that since 1953, the rural municipalities have not had to collect this tax, but I would point out to you that since 1953 school taxes have gone up from one and a half to two mills each year, and so the municipalities are no better off tax-wise than they were before they took off the Public Revenue Tax. When they charge that Public Revenue Tax back against

road grants, it just shows simply C.C.F. muddled thinking. It did make political propoganda, and they are still using that propoganda, Mr. Speaker.

**Mr. Danielson:** — Still muddled thinking.

**Mr. McCarthy:** — What this Government forgets is that away back in 1917, the provincial government of that day did pay each municipality of \$400 flat grant. The revenues of the government of that day were only a fraction of what they are today, but if this Government paid a comparable grant today to what was paid away back in 1917, each municipality in this province would be given at least \$2,000 in flat grants.

Now, just a word about the grid system. It is true that the municipalities have for years asked for a grid system, but the rural municipal men never expected any government would propose such a wholly inadequate and unfair system as you people are proposing today. This Government has departed from the fundamental principles of the grid system which they announced in the Throne Speech last year, and Mr. Speaker, with your permission I would just like to read that paragraph of last year's Throne Speech which has to do with the grid system. This is what they said:

“Good progress has been made in mapping a proposed grid system of main market roads which (and I want you to notice this) will be supplementary to the provincial highway system. It is anticipated that a grid plan will be completed in time to be studied with the report of the Royal Commission on Agriculture and Rural Life. In the meantime the Government will propose additional assistance to rural municipalities for market roads pending a full study of this report.”

Well, now, let's see what they did do. We'll take the first sentence first, where they said that the grid system would be supplementary to the provincial highway system. They did not mention in the Throne Speech that they were going to throw a great majority of our secondary highways into the grid system; they were supposed to be supplementary to those provincial highways. And what is probably worse, you have included in your grid system many miles of market highways, which are, and should be, the responsibility of this provincial government. No. 47 highway is built from Estevan south and from Grenfell north. There is a stretch of about 60 miles in there from Stoughton to Grenfell that should be a provincial highway, and one day will be a provincial highway, Mr. Speaker. It isn't a new highway, it is a gap in a highway, and you people have included that in your grid system. That doesn't look like being 'supplementary to the provincial highway system'- you are putting that in the grid, and making the municipality responsible for a portion of your provincial highway system.

Highway No. 35 is built from the U.S. border right up to the north as far as White Fox, and I believe some further, with the exception of a stretch from Francis to Qu'Appelle, a distant I think of approximately 30 miles. Now, that is another stretch which should be provincial highway, but you are loading it on to the municipalities. That does not supplement the highway system, either.

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Now, in those four municipalities which this No. 47 highway runs through - it does go through four different municipalities between Stoughton and Grenfell - when the rural municipal men found, through their representative, (and that's the only way they could find out at that time, because they were never consulted officially) that you were putting this grid system on proposed No. 47 highway, they immediately called a meeting in my home town. I wasn't there at the time, but they had the municipal representatives and also had the representatives of all towns and villages and hamlets along the route, along with other people. At that meeting they passed and unanimously voted that they would have no part of putting No. 47 highway into the grid system. I understand that, despite some considerable political pressure, those four municipalities still say they will have no part of putting No. 47 highway into the grid system. Now, that's all I have to say about your 'supplementation'.

The next sentence says "it is anticipated that a grid plan will be completed in time to be studied with the report of the Royal Commission on Agriculture and Rural Life". Well, we've had report No. 4 in our hands for some little time now, and I see no indication that we are going to have an opportunity to study this grid system in the light of that report. I have said before, and I repeat again, that if this Government had called in a dozen reeves, a dozen secretaries and a dozen school board trustees; got them in here and consulted with them, you would have had a much saner, much more work full, much more acceptable grid system, and I can assure you there wouldn't have been any secondary or market highways in the grid.

Now the next thing they say in the 1955 Throne Speech is "in the meantime the Government will propose additional assistance to rural municipalities for market roads, pending a full study of this report". What do we find? That was last year, remember. What do we find they did this year? Except for the grants they gave to some municipalities for flood relief, (and I'm not criticizing that at all, those municipalities were badly in need of it, and should have had more - but they are not included in what I am talking about. I am talking about the equalization grants, and special grants they paid); except for those grants that were paid to those municipalities requiring flood relief, they paid less grants to municipalities in 1955 than they did in previous years.

I asked for a Return in the House which was received on February 22nd, 1956, and I asked for the total road grants paid to rural municipalities on the equalization formula and the answer was \$209,000. I also asked for the total special grants paid to all municipalities, and the answer was \$149,000. There was \$40,000 work and wages programme. If you total that all up, Mr. Speaker, it comes to almost exactly \$40,000. Now, nearly half of the rural municipalities got none of these grants in 1955, and others were greatly reduced; and the equalization feature was almost lost in that reduction. I would point out to you that out of the \$400,000, - about half, or \$200,000, was paid in special grants. Those special grants are what the C.C.F. used to term 'political grants'. They used to get up on the platform and say, 'The Liberals pay political grants'. Well, I'm not going to be so unkind as to say they are political grants, but they could well be. At any rate, they got away from their basic equalization.

If you compare the 1955 grants which I have just read with the

grants paid in 1952 you'll find that in 1952 they gave the rural municipalities \$655,000. This year they gave them \$400,000. So if they gave the municipalities \$250,000 less in the year just past than they paid in grants in 1952 - that doesn't look, Mr. Speaker, as though they are giving them 'additional assistance'.

Now, Mr. Speaker, none of the statements that they made in that Throne Speech last year have been lived up to. They have all been violated - every one of them. They are not supplementing the provincial highway system with their grid; they are not going to consider the grid road problem in connection with the report; nor did they give additional grants to the municipalities in the year past. So I say, Mr. Speaker, that this Government has broken faith with the municipalities; it has gone back on its word, and they should be ashamed!

Now, Mr. Speaker, I believe I have been allotted a small portion of air time tomorrow and I would like to beg leave to adjourn the debate.

The Assembly then adjourned at 5:35 o'clock p.m.