

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

Friday, March 16, 1956

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

On the Orders of the Day

St. Patrick's Day

Hon. J. H. Sturdy (Minister of Social Welfare): — Mr. Speaker, before the Orders of the Day are proceeded with, it will be quite unnecessary for me to call the attention of Irishmen within the Chamber and all the rest who would like to be Irishmen, that tomorrow is St. Patrick's Day, and I do wish to thank the Minister of Public Works (Hon. Mr. Darling) for the fine plants that he has placed on our desks to remind us of the 17th of March, which commemorates St. Patrick of blessed memory.

Now I do regret that the only Irishman in the Opposition is not in his seat. It is too early in the year for him to become a political casualty, so I am assuming that he is all right.

Mr. F. A. Dewhurst (Wadena): — Mr. Speaker, I haven't drawn this to your attention for a number of years, but it is not only St. Patrick's Day tomorrow; it is also my birthday.

Budget Debate

The House resumed from Thursday, March 15, 1956, the adjourned debate on the proposed Motion of the Hon. Mr. Fines (Provincial Treasurer): That Mr. Speaker do now leave the Chair. (The Assembly to go into Committee of Supply).

Hon. T. C. Douglas (Premier): — Mr. Speaker, it is somewhat appropriate that I should be rising to speak in the budget debate on the day when Irish members are praising St. Patrick because all hon. members will remember that St. Patrick was a Scotchman. He went over to Ireland and christianized the heathen and he found Ireland so over-run with snakes that his first job was to get rid of the snakes. You will remember that to do this he brought in boatloads of monkeys. The monkeys destroy the snakes. But very soon the monkeys were over-running Ireland. He then called in all Irishmen on the 17th of March to meet and bring their shillelahs so that they could get rid of the monkeys. In order to prevent any Irish casualties due to mistaken identity, every Irishman was asked to where shamrock!

Mr. Speaker, I would like to join with the other members who have spoken in this debate in extending congratulations to the Provincial Treasurer on the very excellent budget which he has brought down and

March 16, 1956

the very able manner in which he presented it to the House.

If the legislative programme of the government constitutes the rails on which the government locomotive runs, then the budget constitutes the power and the steam that drives the locomotive. Governments can ask the House to approve legislation giving them authority to do certain things but unless the financial needs are found to make those programmes effective, then they have little meaning and little benefit for the people of the province. This Government has been singularly fortunate in the years it has been in office in having at the helm of the Treasury a man who has been able to find the necessary financial resources to carry out the very expensive programmes which the various departments have in mind.

Undoubtedly every department of government has ambitious plans, and every department would like to do more than it is doing now. But we have been able to find the necessary funds, both on current account and on capital account, to carry out the tremendous programme which has been accomplished so far is, I think, a tribute to the man who is the Provincial Treasurer of this province. It has been my privilege to attend a number of Federal-Provincial conferences at which not only the Premiers of the provinces but also the Provincial Treasurers have sat in conference. I want to give it as my unsolicited opinion that in the Provincial Treasurer of Saskatchewan we have one of the ablest and one of the most brilliant Provincial Treasurers in the entire Dominion of Canada.

The member for Arm River (Mr. Danielson) the other day said that the Provincial Treasurer wasn't a financial genius - he was a freak. I would like to say that if the Liberal party had had a few freaks like the present Provincial Treasurer during the 34 years they were in office, they would have a better record than they have at the present time.

The fact that in 1954 the rust epidemic caused a partial crop failure and that in 1955 our cash farm income was sadly reduced because of the inability of the farmers to deliver their grain ought, under normal circumstances, to have resulted in a serious curtailment of government expenditures and a smaller budget for this coming fiscal year. The fact that, instead of a smaller budget, we are to have a budget \$7,000,000 higher than it was in the previous year is proof that we are beginning to attain the diversity in our economy toward which we have long moved. The fact that, in spite of the economic conditions of the agricultural economy, we are able to embark, this coming year, on a \$65,000,000 capital programme of expansion in power, in gas, in telephones, in highways and in the erection of public buildings, is proof that our economy is now on a sound basis.

Yesterday the Leader of the Opposition (Mr. McDonald) took exception to the fact that we on this side of the House were constantly making comparisons between what we were doing and what a Liberal government had done up until 1944. He said that the Opposition wanted to be judged by their merits in 1956. Well, Mr. Speaker, of course you cannot judge an opposition group or party on its merits when it is out of office. The people of this province have had a long experience of a Liberal party promising much in opposition and doing little when in office. The only way you can judge any political party is not by what they promise when in opposition but by what they actually did when they were in office. If we cannot

judge by what they did when they were in office here, we can judge by what they are doing in office in Ottawa and in the other provinces which have Liberal governments.

In paying tribute to the Provincial Treasurer I want to pay my tribute mainly because of the fact that this budget which he has brought down makes it possible for the government to say that we have carried out the programme upon which this Government was elected in 1952. I have here a little card which I always carry in my wallet. Just as I carry the programmes for 1944 and 1948, I also have here the C.C.F. Program for Progress, which is the ten-point platform on which the C.C.F. Government was re-elected in 1952. These are the targets which we set for ourselves. The reason why I shall vote for this motion to go into Supply, and the reason why I shall support this budget, is because it carries out and completes the programme which we placed before the electorate of this province for years ago. Let me just go over this ten-point programme is briefly as I can.

The first plank in this platform was: "A \$75,000,000 Highway and Market Road Programme." For the five-year period 1952-53 to 1956-56 (inclusive) gross expenditures on highways will be \$106,000,000. The provincial share of that will be \$92,000,000. Or if we take only the four-year period (not including 1956-57), there was a total expenditure of some \$8,000,000, with the provincial share of \$75,000,000.

The other day the member for Souris-Estevan (Mr. Kohaly) said, "Oh yes, you have spent \$75,000,000 on the construction of highways and market roads but in that period you took in \$80,000,000 of revenues earmarked for highways." If the member for Souris-Estevan had taken the trouble to look at page 25 of the budget speech delivered by the Provincial Treasurer, he would have noted that the interest in 1956-57 on money which had been borrowed in days gone by by previous governments for the construction of highways amounts to \$2,076,860. This interest on old highway debts still has to be paid. Other costs are: the administration of the Highway Traffic Board - \$279,150; the administration of the Vehicles Act - \$266,680; and administration of The Gasoline Tax Act - \$170,230; or a total per annum of \$2,892,920. That is money which also must be spent in connection with highways administration and meeting the interest charges on debt incurred because of highway construction. That means roughly \$11,000,000 in the four-year period. In addition to the \$75,000,000 spent on highways and roads there is an additional \$11,000,000, making the total expenditures on matters pertaining to highways and roads about \$86,000,000. As my hon. friend said, some \$80,000,000 was collected in this connection. During the five-year period from 1952-53 to 1956-57 assistance to municipalities amounted to \$10,352,915. In addition, last year \$1,000,000 was paid out to assist in repairing flood damages to roads and bridges.

Yesterday the Leader of the Opposition, referring to the municipal main market road grid, said that this was the grid which the government was trying "to shut down the throats of the municipalities." Mr. Speaker, there has been no attempt to shove any main market road grid down the throats of the municipalities. It was the annual convention of the S.A.R.M. which passed a resolution asking the Government to plan a grid of

March 16, 1956

main market roads. We acceded to that request. We set up a branch of engineers to design and plan a grid system. They worked in conjunction with the Municipal Advisory Commission and they have worked in close conjunction with the municipalities concerned. Nobody will have any plans foisted upon them. The municipalities will be taken into full consultation before any action is taken.

Not only was the idea of drafting a main market road grid the idea of the municipalities but on June 7th last executive of the S.A.R.M. met with the Government. After they had submitted the resolutions from their annual convention, the President, Mr. Duff Noble, said to me, "Now there is one other matter that we would like to discuss. Your Municipal Advisory Commission has been working on a municipal road grid. We understand it is nearing completion. We feel that the Provincial Government should make a substantial contribution toward the construction of this grid." I agreed. We couldn't expect the municipalities to build it themselves. And so I said, "What share do you think the Provincial Government ought to assume?" All who attended that meeting will remember that Mr. Noble said, "Well, in our opinion the Provincial Government ought to pay at least half." I replied that this was precisely the share which the Municipal Advisory Commission had recommended we ought to pay but that I was not prepared to commit the Government at that time because it would mean, over a ten-year period, an average expenditure by the Provincial Government of \$2,500,000 plus the \$500,000 of equalization grants which we are now giving. This would mean an average payment of \$3,000,000 a year to the municipalities for the construction of roads. I wasn't just sure that we could make a commitment for that very large sum of money over a long period of time. But after we had assessed our financial position, and because of the increasing revenue from resources, we felt that we could take a chance. We therefore announced that we were prepared to pay 50 per cent. Mr. Speaker, both the idea of initiating the grid and the idea of the share which we should pay came from the S.A.R.M. themselves.

It is completely ridiculous for the member for Cannington (Mr. McCarthy) to say that 75 per cent of the municipalities will not be able to avail themselves of this offer. Last year the rural municipalities of this province spent \$8,500,000 on public works, mainly the building of roads. If they put \$2,500,000 a year into a main market road grid they will still have \$6,000,000 left to look after their own roads. But what is more important, when they do that they will not have \$8,500,000 to spend on municipal roads. They will have \$11,000,000 to spend on municipal roads. My friends opposite try to make little of the Provincial Government's contribution to the main market road grid. I want to say that the \$2,500,000 a year, plus \$500,000 for equalization grants, making \$3,000,000 a year to municipal roads, is a contribution far and beyond any contribution ever made by any provincial government to municipalities for road purposes in the history of this province.

The second plank in this C.C.F. Program for Progress which I hold in my hand is No. 2, and it says: "Power to 40,000 farms and all Towns and Villages." This is another plank which I am glad to say this budget will fully implement. In 1952 the number of farm customers in this province was 12,600. At the end of this construction season it will be 40,000 farm customers. In 1952 we had only 613 communities served with power. We now have 750 communities served with power and 60 more communities

will be added this year. I think the House should be reminded, Mr. Speaker, that this policy of serving farm customers and small communities is absolutely contrary to the policy which the Leader of the Opposition announced when he spoke at the Regina Forum a few weeks ago here in the city of Regina. He said:

"The Provincial Government is extending electrical service to small centres at the expense of increased costs in the cities."

So the Liberal party does not believe in this programme of taking power to small communities. I want to say that we believe in it and that we have carried out this programme as we promised to do in 1952.

The third plank was: "Continued Development of Saskatchewan's Oil and Mineral Resources." That development has continued at a greatly accelerated pace. Again I am not going back to compare it with that period when the Liberals were in office because that is too pathetic a comparison. I shall compare our record with ourselves. In 1952 our Mineral production in this province was \$49,506,094. In 1955 it had risen to \$83,769,427- almost double. The estimates for 1956 are that we will greatly increase our mineral production in this province. The number of oil and gas wells we had in production in 1952 was 526. We now have, as the hon. members know, 1,876 oil and gas wells in production. And even better criterion is the number of acres under lease - not under permit for exploration but under actual lease. In 1952 there were 1,133,213 acres; in 1955 there were 3,000,000 acres; and in 1956 our estimates is over 4,000,000 acres. This is because the Government has followed what we think is a sound policy - a policy of developing our primary resources, including lead, copper, zinc, uranium, oil, gas, potash, sodium sulphate and clay. We are confident that as these primary resources are developed they will automatically attract secondary industries. This has been proven by the fact that industries have come into the province as a result of the development of our resources. The steel pipe plant, the manufacturer of transformers, the manufacturer of sewer pipe from our clay, the manufacturer of cement, the manufacturer of wire and cable - these things are only made possible because we have made such progress in the development of our resources. It has shown up in the figures. The gross value of manufacturing in this province in 1944 was \$175,000,000. In 1955 it was over \$300,000,000.

The Opposition can do all they like to try to persuade the people of Saskatchewan that no industrial development is going on. The fact is that the people of this province know that it is going on all about us. They see the effects of it. Of course the Liberal party are doing everything they can to prevent industrial development.

Mr. McDonald (Leader of the Opposition): — Nuts!

Premier Douglas: — I have in my hand the cartoon which appeared in the Regina 'Leader-Post' of March 13th. I do not generally bother with these cartoons, which draw us all with funny faces. I am not at all sensitive. I have a good thick skin. But this has nothing to do with me personally. This cartoon is called: "Rolling out the Red Carpet." It shows a building - Saskatchewan Industry - and a red carpet which goes over a barbed wire fence, and on the barbed wire fence is: "High Power

March 16, 1956

Rates, High Taxes, Gloomy Talk, Socialist Policies." Standing at the end of the carpet is someone interested in development, very hesitant as to whether or not he should go in. Well, that may be funny in the Regina Leader-Post. It is not funny, however, two people in the Industrial Development Office who are endeavouring to bring new industries into Saskatchewan. For instance, the same day this came out one company, which had been carrying on negotiations and had arrived here interested in bringing a new industry to Regina, took a look at this and decided to go back and check their figures on taxes and power costs. I am glad to be able to report that after three days of checking their figures very closely they told us that they compared favourably with the other parts of Canada where they were located and that they had decided to come into the province. But I think the people of Regina ought to know just how close they came to losing an industry because of the distortion which is being carried on by the Regina newspaper.

I wouldn't mind them doing that sort of thing if they really believed it, but I don't think they really believe we are keeping industry out. I don't think they believe that Saskatchewan is suffering from stagnation because of the C.C.F. I have here a magazine called "Marketing - Canada's weekly newspaper for advertising and sales executives"; and it is dated December 30, 1955. In it is an advertisement. A little boy is running with a paper in his hand, and it says:

"Extra Good News – Saskatchewan's 'Big Future' is already here:

"The tremendous growth of oil development and natural gas consumption, the rapid development of uranium, base metals and mineral output, plus the growth of new industries, including an \$8,000,000 cement plant and a steel plant valued at over \$3,500,000 at Regina, all point to 1956 as 'Saskatchewan's Year' and Regina is at the heart of this expansion."

This advertisement was inserted by the Regina Leader-Post.

Here is another paper called 'The Times Weekly Review' dated December 22, 1955. An article shows a picture of a man with an umbrella over his head, and the heading on this article is:

"Umbrella Coverage of Saskatchewan!"

"Long the bread basket of the world in wheat production, the tremendous expansion of oil production and natural gas consumption, the rapid development of uranium, base metals and mineral output are giving Saskatchewan and new economy. When you think of Canada, think of Saskatchewan, the 'growing' province, and its two major elites, the Regina 'Leader-Post' and the Saskatoon 'Star-Phoenix'."

If you ever saw Dr. Jekyll and Mr. Hyde, this is it. This is "Mr. Looking

Both Ways." When they get out to a place where they can tell the truth - things are going well; the future is already here; we are marching into prosperity. But when they are drawing their cartoons for local consumption - Saskatchewan is a poor, benighted province suffering under the dismal hands of the C.C.F.

Yesterday the Leader of the Opposition made a very impassioned plea for everyone to recognize that he and his associates are just as loyal to this province and love the province just as much as anyone else. Well, I am prepared to accept that. But his declamation did not fit in very well with the statement made by the Rt. Hon. J. G. Gardiner in the House of Commons, which was reported in the Regina 'Leader-Post' of March 14th. This is what a Canadian Press report from Ottawa says:

"A doubt was cast on the cement-making possibilities of Regina clay by Agricultural Minister in the Commons Tuesday.

"He said he is not so sure you can make cement out of Regina clay. . ."

The manager of the Saskatchewan Cement Corporation has operated the biggest cement plant on the Pacific coast. The Industrial Engineering Company, whom we brought in as consultants, found that Regina clay eminently satisfactory. To make doubly sure we secured the services of Dr. Thorvaldson, who is a recognized authority in Canada on cement and is the man who produced the first alkali-resistant cement. He approved of the Regina clay. But Mr. Gardiner, whose only knowledge of clay comes from clay on which he used to try to build roads when he was Minister of Highways without putting any gravel on it, says that he doesn't think the Saskatchewan clay will be very suitable.

Mr. Speaker, here is a firm coming into our province to manufacturer cement. Here is a firm that is going out on the market to sell shares in its project. The assistance they get from the Federal Minister of Agriculture to strengthen their confidence and the investing public's confidence is for him to stand up in the House of Commons and say that he doesn't think you can make cement out of Regina clay. Mr. Speaker, in spite of this type of sabotage we are proceeding to get industrial development. As a matter of fact, as a result of the Semantic Company deciding to locate here in Regina, we already have another company showing great interest in the manufacture of bags for cement and for potash and sodium sulphate. I hope that I can make some announcement in regard to that before the House prorogues.

The development of our mineral resources end of industry is important. It is important because it has made such a difference in our provincial revenues. The gentlemen opposite keep talking about the bigger budget and the fact that all of that comes out of the taxpayers' pockets. But not all of it comes out of the taxpayers' pockets. That is the importance of getting industrial development. In the year 1944-45 total income which the province received from the development of all its resources - fish, fur, timber, everything - was \$1,724,000. In the fiscal year which is just closing the return is \$10,829,500 and the estimate for the fiscal year now under discussion is \$12,440,000.

March 16, 1956

Some Govt Member: — Plus bonuses.

Premier Douglas: — Plus bonuses, yes, from the sale of Crown lands. There is a big difference between \$1,750,000 and over \$10,750,000, and this year almost \$12,500,000. It is these additional revenues coming out of the development of our resources that are giving to our economy not only increased diversification but also giving us the extra revenue which makes it possible for the Government to increase education grants, to spend more on roads and to give better health and welfare services. Therefore, Mr. Speaker, I feel that this plank in which we promised continued development of our oil and mineral resources has been and is being fully complied with.

The fourth plank was: "Natural Gas in larger cities and intermediate points." This, too, has been carried out. We now have 13,000 customers buying gas from the Power Corporation in 17 different communities. The Minister in charge of the Power Corporation announced the other night that a \$10,000,000 programme will be undertaken this year to bring gas to additional communities in the province. Again it should be remembered that the Liberal party is not too happy about the public ownership of gas. When I spoke in the House on the Throne Speech, I made reference to the fact that if we turn to the gas and power back to private companies we would encounter the confusion which this Government found when we took office in 1944. Two days later, in an editorial called "Gas Policy Confusion," the Liberal paper in this city said:

". . . Mr. Douglas cautions the people to take warning that were another government to replace the C.C.F. the province would return to chaotic confusion under private utilities. This 'chaotic confusion' has not been in evidence in the development of gas utilities in Alberta. . ."

Here is the Liberal press - and when they suggest a policy today it becomes the policy of the Liberal party tomorrow - holding up Alberta and private ownership of gas utilities as the ideal.

Mr. McDonald: — Cheap gas.

Premier Douglas: — And just the other day a prominent Liberal in the city of Regina, speaking on gas, is reported in the 'Leader-Post' on March 13th as saying:

"I would say, if we had the opportunity, we would be debating privately-owned system versus publicly-owned. But since this is not possible in Saskatchewan, we must debate city-owned versus S.P.C.-owned system. . ."

There isn't any doubt in my mind that the Liberal party, although they have kept it well under wraps, are in favour of having the distribution and sale of natural gas in this province turned back to private utilities.

Mr. McDonald: — You're nuts!

Premier Douglas: — And that, of course, was doubly emphasized by the Leader of the Opposition speaking to the Business Men's Club in the city of Toronto when he said that the reason we weren't getting more development in Saskatchewan was because power and gas were a Government monopoly.

The people of this province are going to have a chance to make up their minds whether they want two such important utilities as power and gas owned by the people, controlled by the people, and operated in the interests of the people, or whether they want them turned back to private utilities to have them milked and exploited for the shareholders of those utilities.

Mr. McDonald: — You're dreaming.

Mr. Speaker: — Order!

Premier Douglas: — I want to say again, as I have said before, that the Government has never at any time been opposed to municipal ownership of gas systems. We are prepared to allow any community to distribute its own gas. The only stipulation we have made is that they must limit their profits to 5 per cent. That is a great deal more than the provincial government will ever make out of these utilities because, as I have pointed out, not one dollar of revenue has ever come from power, gas or telephones into the provincial treasury.

The fifth plank was: "The Construction of the South Saskatchewan Dam in co-operation with the Federal Government." Mr. Speaker, while we were prepared to co-operate with the Federal Government in the South Saskatchewan Dam construction, they were not prepared to proceed with it, despite the fact that we were willing to pay much more than any provincial government has ever been asked to pay in a similar project. In the province of Alberta the St. Mary's Dam and other dams constructed by the P.F.R.A. were put into operation without the provincial governments contributing a five-cent piece. Here we were prepared to put up a major part of the total cost. The ratio is roughly \$85,000,000 from the Provincial Government and some \$63,000,000 million from the Federal Government. In spite of that the Federal Government has refused to proceed with the construction of the project. The fact is, of course, that the Liberal party does not believe in the economic value or the necessity of proceeding with the construction of the South Saskatchewan Dam.

I would like to know where the Liberal party of this province stands on this very important item. The Leader of the Opposition spoke in the city of Saskatoon at the Liberal nominating convention just a few days ago. This is what the paper says:

"Mr. McDonald declared he has always contended the South Saskatchewan River Dam must and will be built."

Mr. McDonald: — Hear! Hear!

Premier Douglas: — That's fine. That is very good. It would be good if

March 16, 1956

he hadn't spoken in Prince Albert, however, as reported in the Prince Albert 'Herald' of Wednesday, July 27th. This is what he said in Prince Albert, where the Dam isn't quite so important:

"Prime Minister St. Laurent has stated it is not in the national interest at this time. And I am in full agreement with him."

Mr. McDonald: — Read the rest of it.

Premier Douglas: — I will read the rest and my friend will be even more sorry when I do read it. But let me just pause there. In Saskatoon - "it will and must be built." In Prince Albert - "it is not in the national interest." Now where does my friend stand? He wants me to read the rest of it. Well, the rest of it consists of pouring ridicule upon the South Saskatchewan Dam. This is what he said:

"What will we do with the power that would be generated? And what will the farmers do with the vegetables that would grow on the irrigated land?"

Well, I will tell my friend what we would do with the power that would be generated. As he ought to know, our power consumption is going up at a rate of over 20 per cent per year. That means that in the next four or five years we will have the double our entire generating capacity. That means an expenditure of over \$100,000,000 in the next four or five years. My hon. friend thinks we won't need the South Saskatchewan Dam. It won't even begin to meet the increased demand for electric energy in the next four or five years.

What would we do with the things growing on the irrigated land? Well, I have on my desk at this very moment a project for sugar-beet factory. There are people interested in coming in here and putting up sugar-beet factories. But they require at least 100,000 acres of irrigated land to guarantee them the delivery of sugar-beets, year in and year out, to keep their sugar factory in operation. It wouldn't grow vegetables only. It would grow sugar-beets. It would grow alfalfa. And it could grow vegetables and we could have canning factories.

Mr. McDonald: — That's right.

Premier Douglas: — There isn't anything that we need in Saskatchewan to diversify our economy and to meet our power needs more than the South Saskatchewan Dam. It will give some diversification to our agricultural industry and will guarantee an area in the province where, in spite of drought which may come again, we would always have guaranteed supplies of feed. Yet the Leader of the Opposition, the leader of the Liberal party in Saskatchewan, in speaking for his party, stands up in the city of Prince Albert and says: "Mr. St. Laurent says the South Saskatchewan Dam is not in the national interest, and I agree with him."

Mr. McDonald: — So I do.

Premier Douglas: — Mr. Speaker, he says now, "So I do." That closes the

case. The Liberal party, in spite of all its pretenses, is opposed to the construction of the South Saskatchewan Dam.

Mr. McDonald: — That's not true, and you know it.

Mr. Speaker: — Order!

Mr. McDonald: — The great confuser!

Premier Douglas: — The sixth plank was: "The reclamation and settlement of new northern areas."

Mr. McDonald: — If you'd get out of the road they would build it.

Premier Douglas: — Under this item I would like to point out that the land cleared and broken by lessees of the Crown, with Government assistance, from 1952-53 to 1955-56, inclusive, covered 195,623 acres, making a total cleared and broken by this Government of 392,746 acres under the Department of Agriculture alone. The Department of Municipal Affairs has paid for the breaking and clearing of an additional 72,439 acres, making a grand total of 465,185 acres on which we have helped to finance the clearing and breaking. The amount paid out in respect of this from the Department of Agriculture was \$4,371,000, or the total amount over the entire period was \$4,746,000. And if you add the amount which the Department of Municipal Affairs spent, which was \$967,000, it makes a grand total of \$5,714,178, which the Government has spent in clearing and breaking. In addition to that the Conservation and Development Branch of the Department of Agriculture has built 493.9 miles of drainage ditch, constructed 185 miles of road, built 486 structures, and has moved some 6,226,000 cubic yards of earth.

This has effected an improvement of over 2,000,000 acres of land. This entire drainage programme, and this clearing and breaking programme, I want to remind you, Mr. Speaker, are programmes which were introduced by this Government in which did not exist prior to this Government coming into office.

The seventh plank was: "Abolished the Public Revenue Tax December 31, 1952. Assist municipalities on basis of need." Well, we did abolish the Public Revenue Tax. Some of the gentlemen opposite have been saying, "Yes, you abolished it after you voted against it." Well, Mr. Speaker, if you take the trouble to go back into the Journals of the House, what do you find? You find that on February 20, 1952, the Opposition moved an amendment in the Speech from the Throne Debate calling for the abolition of the Public Revenue Tax. In the first place, it was a motion of non-confidence which would have destroyed all the programmes outlined in that Speech from the Throne. But more important, the Government had announced that in 1953 the Public Revenue Tax was to be earmarked not for the Provincial Government, as it had been in previous governments, but the Public Revenue Tax was to be earmarked for the schools and to be turned over to the schools of the province for school grants. To have accepted the motion of the gentlemen opposite would have deprived the school districts of the province of nearly \$2,000,000 that year.

March 16, 1956

I know the gentlemen opposite have never been favourable to the school boards or to education. They have sought to curry favour with the municipalities by posing as their champion. But the fact is that the members on this side of the House were not prepared that year to take \$2,000,000 away from the school districts. But we did announce during that Session that at the end of that year, without reducing the amounts to the school districts, we would cancel the Public Revenue Tax and allow the municipalities to collect, as a result, some \$2,000,000 a year, which they are still doing. I want to remind the House that in the course of that debate the member for Arm River (Mr. Danielson) was the very one who told us that if we turned the Public Revenue Tax over to the municipalities, then we could keep our road grants - they would manage very well without them. He said - "Turn the Public Revenue Tax over to the municipalities and they wouldn't want any road grants - they didn't need road grants!" That isn't the story we have been listening to for the last few weeks. The fact that the Government is going to be spending some \$3,000,000 in grants to municipalities over the next ten years, either for the main market road grid or in equalization grants, isn't enough, according to the Opposition. But on February 20, 1952, they said, "Give municipalities the Public Revenue Tax and you won't need to give them any grants for roads."

As a matter of fact, Mr. Speaker, we have not only given to the municipalities the Public Revenue Tax, which has meant quite a lot to them. They have taken that two mills which formally was collected by the Provincial Government and spent on roads or for any other purpose and it has meant, in the aggregate, something approximating \$2,000,000 a year for them. But we have done a great deal more to assist the municipalities. We have consistently endeavoured, as we were able to get more revenues from the development of our resources and as we were able to negotiate better terms with Ottawa on our Tax Rental Agreements, to pass on to the municipalities whatever benefits we received. We have passed on a lot of things to them. One of the things we did at the very beginning of taking office was to relieve them of the great burden of seed grain debts and relief debts. My friends opposite do not like to refer to it but I would just like to itemize it again:

1938 Seed Grain adjustment	-	\$9,973,000.
Refunds to Individual Farmers on 1938 seed grain adjustments	-	\$1,590,000.
Other Relief and Seed Grain Cancellations	-	\$29,214,232.
Direct Relief Cancellations	-	<u>\$35,000,000.</u>
TOTAL	-	\$35,785,232.

The member for Arm River said the other day, "Ah, but the Federal Government cancelled about \$44,000,000 of relief for you. The Federal Government cancelled it." Mr. Speaker, the Federal Government didn't cancel anything. The Federal Government owed the province of Saskatchewan a very large sum of money, because when they returned our resources

to us in 1931 many of these resources had been depleted in the meantime. The matter had gone to a tribunal. One judge in a tribunal estimated that Saskatchewan was entitled to \$55,000,000. The other two judges thought it should be a lesser amount. The deal had never been settled. We were entitled, we thought, to \$55,000,000 from the federal treasury because our resources had been utilized while they were in the custody of the Dominion Government. We said to the Federal Government, "Will you square off these relief debts against the \$55,000,000 which we think you owe us?" They agreed to it. Then we turned around and cancelled those relief debts to the individuals and to the municipalities concerned. I want to say now, Mr. Speaker, that if I had to do it over again I doubt if I would make that trade. I think they took advantage of the Provincial Treasurer and myself - just a couple of country boys who went down to the Ottawa to make this deal.

That was the first thing we did for the municipalities. What is the result of it? The gentlemen opposite have been very anxious to quote this little booklet which they had on their desk from the Bank of Montréal showing the relative debt positions of the various provinces. I noticed that they did not quote the last sheet in the book, which gives the per capita municipal debt in Canada. This shows that Saskatchewan has the lowest per capita municipal debt in the Dominion. I will start out with hours and then one can make comparisons as one goes along:

		Municipal Debt Per Capita
Saskatchewan	-	\$ 57.00
Nova Scotia	-	78.00
New Brunswick	-	102.00
Québec	-	154.00
Ontario	-	151.00
Manitoba	-	88.00
Alberta	-	180.00
British Columbia	-	181.00

I thought from the way gentlemen opposite were talking that the Alberta government had helped the municipalities so much that they didn't owe anybody anything. But their debt is more than three times as high as the per capita debt in Saskatchewan. I haven't mentioned Newfoundland or Prince Edward Island, which are lower. They are small provinces and I am taking the larger provinces, which are comparable. The reason that the municipalities of Saskatchewan are the lowest of all the provinces is because of the fact that this Government, in the initial years that it was in office, took this tremendous burden off the backs of the municipalities.

We have done a great many other things to make it easier for the municipalities. By increasing our grants to education, the schools have had to make less of a demand upon the municipalities. Our grants to education today are more than four times as much as were the grants when the gentlemen opposite were in office.

In the field of health we have taken over responsibilities from the municipalities which formerly belonged entirely to them. We are

March 16, 1956

out, for instance, in this budget in aid of regional medical care programmes and municipal doctor plans, \$154,000. We are paying out to Health Regions some \$635,000. We pay two-thirds of the costs in health regions. Our hospital construction grants are \$250,000 this year. We have been paying them consistently over the years. We have paid altogether some \$3,000,000 to help communities to construct hospitals. Our tuberculosis grant has been doubled from \$1.00 per patient day to \$2.00 per patient day. The fact that we have provided health services for needy groups - old age pensioners, mothers' allowance cases, blind pensioners, who normally would be in charge of the municipalities if the Provincial Government did not give them a blue card - it's costing us over \$1,500,000 a year. The fact that we are giving free care to those suffering from polio and cancer and mental illness has relieved the municipalities. They have not had to worry about indigents who suffer from those illnesses.

In the field of Social Welfare our Old Age Assistance programme, which cost this year over \$2,500,000, has enabled many people between 65 and 70 to get a pension of \$40 a month and a hospital card. Many of those were social aid cases who had to be looked after by the municipality.

On the Disabled Persons Pension, I agree with all that has been said about it being too restricted. There isn't any government in Canada that has tried harder to get the Federal Government to make its regulations more flexible than has this Government. No one can say anything too bad about the regulations that now obtain with reference to Disabled Persons Pensions. There was a case which came to my attention of a man who, with the aid of crutches and the help of his friends, finally got before the Board. When he told him he couldn't do anything, they said, "Well, you got here, didn't you?" That has been the attitude. I want to remind hon. members that we operate under a Federal statute and under Federal regulations. If anybody can do anything to get the Federal Government to make those regulations more flexible and more generous, they will have our support. The Disabled Persons Pension resulted in an expenditure of over \$480,000 this year. Again, those are persons who mainly would be the responsibility of the municipalities.

Our Child Welfare programme is the same. In 1943-44 \$166,000 was spent on child welfare and in this year now under review it will be \$696,000. We have continually taken over more and more responsibility for Social Aid. As hon. members know, we pay 50 per cent of the cost of Social Aid which a municipality gives. But many of the municipalities had burdens which they could not carry. Some of those burdens arose out of the fact that people had moved from one community to another and many had congregated in one area. We decided that where they could not establish residence we would make them a 100 per cent provincial responsibility. In other communities the Métis had congregated and constituted a real burden on the municipality. We assumed that group in those areas as a 100 per cent responsibility. The result was that in the past year, of the total amount of money spent by the province and the municipalities on social aid, 71.8 per cent of the total cost was borne by the Provincial Government.

As hon. members know, we are now going to sign an agreement with Ottawa called "The Unemployment Assistance Agreement." Under that provision the Federal Government will pay nothing in any province as long

as the number of persons unemployed remains at or below .45 per cent of the population. That number is considered normal and considered unemployable. But when the number of persons unemployed exceeds .45 per cent of the population, the Federal Government will come in and pay 50 per cent of the cost. There is one proviso in this that I do not like, and I mention it for the sake of the member for Souris-Estevan (Mr. Kohaly), who is making a very proper plea the other day for work and wages programmes. I agree with him. For the last two years we have been carrying on work and wages programmes. But in this Agreement the Federal Government has stipulated that any money paid out for work and wages programmes will not be included. In other words, if men are out of work and we want to pay them so much a week, Ottawa will pay 50 per cent of the cost for those above .45 per cent; but if we put them to work and pay their wages, then we will have to pay the entire amount ourselves. I think this is unfortunate. I hope someday they will see the light and recognize that it is better for the individual and it is better for the community to put able bodied people to work rather than pay them to sit around and do nothing. But the House will be glad to know that we are now going to sign this Unemployment Assistance Agreement. I know that the municipalities will be glad to know that we are prepared to pass on to them a share of the money which we will be getting from Ottawa.

As I said in the Throne Speech debate, it is our intention this fall to have a meeting of the Provincial Government and the local governing bodies to discuss the recommendations of the Royal Commission on Agriculture and Rural Life. At that time this whole question will be reviewed. But until that conference takes place we are now prepared to pay 75 per cent of all social aid and the municipalities will pay the other 25 per cent. That will be made retroactive to 1st July last. That, also, will relieve the municipalities very considerably of the burden which they have been carrying.

I have already dealt with some of the other things which we have done for the municipalities, including the increases in road grants and the additional money which we have paid for roads and bridges. I might remind you that in 1943-44 the total amount paid for municipal roads, bridges and ferry accommodation with \$647,000 and in this coming year we will be paying \$2,325,000.

So I think, Mr. Speaker, that any person who reviews the picture of what we have done in turning over the Public Revenue Tax, by what we have done in relieving the municipalities of a great burden of debt of seed grain and relief, by what we have done in increased grants for education, for municipal roads and bridges and by what we have done to assume extra responsibilities in health and social welfare, will agree that it was constituted considerable assistance to the municipalities and that assistance has been given on the basis of need.

The eighth plank was: "Increased Grants for Education." In 1952-53 we gave in grants to schools \$8,559,104. We are proposing in this budget to give \$12,262,200. During the period 1952-53 to 1956-57 we have paid out in school grants \$50,862,613. In the same period we have given in loans to schools for capital purposes some \$2,954,948. In addition the Provincial Treasurer has taken a great many school debentures into various sinking funds to enable school units to proceed with their programmes.

March 16, 1956

The gentleman opposite have been playing the role this Session of being the friends of education. They put the Larger School Unit legislation on the statute books but they didn't start up a single Larger School Unit. They have the reputation of having the poorest teachers' salaries during the time they were in office.

Mr. McDonald: — Still have.

Premier Douglas: — Just look at what they did. In 1943-44 their grants to education were \$2,765,000 as compared to the figure which I just gave for this budget of \$12,662,000. We are paying \$60 per pupil in grants as compared to their \$15. They are the people who come now and tell us they are the champions of education!

Compare not only what we have done for the schools but what we have done for higher education. In 1944-45 grants to the university were \$550,000. By 1952-53 they had reached \$1,150,000, and in this budget they will be \$1,935,000. The total grants paid to the university since we took office are nearly \$14,500,000. University buildings constructed cost over \$7,500,000. If you include the University Hospital, the Nurses' Home and the Research Council Building, it would be over \$20,250,000.

The ninth plate was: "Extension of Medical Care Programmes." The budget of the Department of Public Health shows the extent to which these medical care programmes have been expanded since 1952. In that year our budget for the Department of Public Health with \$18,656,000. In this budget it is \$24,217,000, an increase of well over 30 per cent. That has meant new programmes in a number of different fields. In the field of cancer, for instance, in 1952 we spent \$505,000; this year we will be spending \$988,000. In psychiatric services we spent \$4,900,000 in 1952; this year we will be spending \$7,236,000. We have been steadily stepping up grants and loans to hospitals and in the last five-year period we have spent \$1,175,000. Our health services for our old age pensioners and related groups has been stepped up to \$1,000,000 to \$1,500,000. Contributions from the Treasury to the Hospital Services Plan have gone up from \$9,925,000 to \$11,071,000. The physical restoration programme which was just starting in 1952 cost \$11,500. It is now costing over \$190,000. The medical care programmes which we have been carrying out over the years are steadily growing and expanding.

The tenth and last plank in the 1952 C.C.F. Program for Progress was: "Extension of Social Welfare benefits." Mr. Speaker, again the budget shows that this is being done. In 1952-53 the amount voted for Social Welfare with \$6,790,000. In this budget is \$11,918,000. That is a very substantial increase. The other day the member for Arm River thought he had found a very excellent point. He quoted what was being paid for Mothers' Allowances in the province of Manitoba and made insidious comparisons with the province of Saskatchewan.

As the member for Morse (Mr. Gibson) pointed out yesterday, it is not too hard to have a high rate if you make sure you don't give it to too many people. Under the very rigid regulations that they use in Manitoba, it is very difficult for a mother to get the Mothers' Allowances. The result is that whereas Manitoba pays Mothers' Allowance to 4,247 persons, the province of Saskatchewan pays to 8,895 - more than twice as

many. Saskatchewan hasn't a very much larger population than the province of Manitoba. Yet here we have more than twice as many people in receipt of benefits from Mothers' Allowances than they have in the province of Manitoba. Take the actual expenditures - in Manitoba they spent \$1,006,000 in 1953-54; we spent, during the same period of time, \$1,550,561. Our expenditures this year for Mothers' Allowance cases will be \$1,563,000 plus \$442,000 for health services for them, making a grand total of over \$2,000,000.

The member for Souris-Estevan (Mr. Kohaly) and the member for Arm River (Mr. Danielson) raised the question of supplemental allowances. They pointed out that while we have provided for increased supplemental allowances last year anywhere up to \$20 and that only some 32 persons got the full \$20. The full \$20 is provided for those men on old age pension whose wife is not an old age pensioner and has no means of support. There are not, it is granted, a large number in that category. But I want to point out that on January 1st of this year there were 17,327 old age security pensioners on supplemental allowances. When we opened up with this plan last year to increased supplemental allowances, 12,716 made application for an increase. Of these 8,892 were granted increases. They now receive an average of \$8 per month, which costs some \$853,000. When my friends were talking about the 32 persons, why didn't they talk about the rest. Of the rest of this group, 8,544 are getting \$2.50 per month plus complete health services. Another 4,453 are getting between \$2.50 and \$10 per month, and another group of 4,331 are getting \$10 or more per month. All of them, of course, get complete health services in addition.

No person needs to make a plea to this Government on behalf of Mothers' Allowance cases or old people. If we could double what we are paying now, every member on this side of the House would be happy, and it would still not be enough for many of these people. As we are able to develop the resources of which I have spoken and as we are able to expand our provincial economy, then we are dedicated to the proposition that a part of that increase shall be set aside to take care of the needy and the aged and the unfortunate.

Mr. Speaker, when we come to talk about caring for Mothers' Allowance cases and old people, we are glad to be prodded by our own supporters. I take some umbrage at being prodded by Liberals and Conservatives. Let us look at the Liberal record. In 1951 the Federal Government asked for a constitutional amendment by which all persons 70 years of age and over would become a federal responsibility. In order to discharge that responsibility they levied a surcharge of 2 per cent on income, 2 per cent on corporation taxes, and an extra 2 per cents sales tax (raising the sales tax from 8 per cent to 10 per cent). That goes into a special fund to pay a universal pension to people 70 years of age and over. Constitutionally people 70 years of age and over are not a provincial responsibility. Because the Federal Government's pension has been so niggardly for these people in the light of rising living costs, this Government and one or two other governments have been compelled to give them a supplementary allowance to provide them with health services.

Mr. Lopton: — \$2.50.

March 16, 1956

Premier Douglas: — But what governments have done it? The gentlemen across the way at almost every occasion proceed tell us about the province of Manitoba. They tell us about the industries that pour in there, about the amount of money they have. They say that we are poor and benighted. Yet in Manitoba - this land of milk and honey which the Liberal leader is constantly portraying for us - they don't pay any supplementary allowance at all! Not \$20 or \$10 or \$2.50, but nothing! They do not provide any health services, either for their old age pensioners or for their mothers' allowance cases or for their blind pensioners. In the province of Manitoba, where all is supposed to be fair and happy and prosperous, these groups of people numbering over 25,000 have to go to the municipalities and prove they are indigent. Only then will the municipality give them assistance, if they are financially able to do so.

The member for Souris-Estevan (Mr. Kohaly) also made a great plea for these people. I appreciate his sentiment in doing so. But he sits in his House ostensibly as a Conservative member. The great Conservative province of Ontario - the richest province in Canada with vast economic and industrial resources - does not pay any supplementary allowance. They do not provide health services. As a matter of fact, Mr. Speaker, there is not a Liberal government or a Conservative government in Canada that pays supplementary allowances or pays for health services for its old age pensioners or its mothers' allowance cases.

When I listen to the gentlemen opposite telling us how fortunate they are elsewhere, I wonder if they realize that they are not kidding anybody. The only governments in Canada today which have a hospitalization plan, which provides supplementary allowances, and which give health services to their needy groups are C.C.F. and Social Credit governments. The Liberal and Conservative governments, located in some cases in the wealthiest provinces of Canada, do not pay these groups one five-cent piece! Therefore these are the last people to come and tell us how much more we should be doing for these needy people.

Mr. Lopton: — Perhaps they don't need it there.

Premier Douglas: — We recognize the need of these people and we have done more to recognize that need than any government that ever sat here, or any Liberal or Conservative government in the Dominion of Canada. As a matter of fact it is rather a long departure for the gentlemen opposite. I can remember the speech of their financial critic in 1949, who found fault with the fact that this Government was spending too large a share of its provincial revenue on social welfare and health. He said that we were building up a structure of welfare services that this economy could not maintain.

We are building the kind of economic base that will maintain that structure. But we will not build a structure so fast that our economy will be top-heavy. These people throughout the province know that as we have been able to get the money we have given them more and more assistance. We have given more assistance than they are getting in Liberal provinces or Conservative provinces. I give this assurance to them that as our resources develop and our sources of revenue increase we will continue to see that they get a fair share of the good things of life that come into our possession.

That, Mr. Speaker, is the ten-point programme on which this Government was elected in 1952. I say today that when this House passes this budget it will make possible the implementation of the C.C.F. Program for Progress. It will enable us to say to the people of this province that we have reached our target and our mission is accomplished. In due course I hope that we shall be able to place before the people of this province some new targets to aim at and some new goals to be sought. The best guarantee that we will reach those new goals when we set them is the knowledge that we have reached the goals which we set in 1952.

There is another matter with which I would like to deal, Mr. Speaker. That is the statement which has now been made twice in the House to the effect that there was no discrimination against Saskatchewan in the matter of flood relief. Both the Leader of the Opposition yesterday, and before that the member for Arm River, trying to tell this House that all of the areas that have suffered flood disaster had been treated fairly and equitably. Mr. Speaker, that is not borne out by the facts. I have a complete statement here of the payments which have been made, first of all, to the Fraser Valley flood disaster. The very first thing that was done by the Federal Government was to give them \$5,000,000, which did not have to be matched by the provincial government at all - \$5,000,000 ex gratia. The next thing they did was pay 75 per cent of the cost of repairing, strengthening and reconstructing dikes and removing water from flooded land. What's that? That is drainage! Seventy-five per cent from the Federal Government and 25 per cent from the provincial government. Then, of course, on damage to property the division was, as my hon. friend says, on a 50-50 basis. In the payments which were made it is shown here that the Federal Government contributed in the Fraser Valley disaster \$8,524,000 and the provincial government contributed \$2,881,000, making a total of more than \$11,400,000.

I have the figures here for the Red River Valley flood of 1950. Again the Federal Government paid 75 per cent. Of what? Of surveys, of earth works, or re-paving streets. What kind of streets have they got? Those are municipal streets, and they paid 75 per cent of the cost of re-paving them; 75 per cent of the cost of pumps and motors to pump water in pumping stations; 75 per cent of seeding where land had been flooded; 75 per cent of field engineering. They paid a total of some \$4,559,000.

But when it came to Saskatchewan it was another matter. Here is the Prime Minister's letter to me dated October 19, 1955. Remember we had made application in April, and twice delegations of Ministers from this Government went down and presented the case for not only the Provincial Government but for the municipalities. They asked for three things and these three things had already being done in the Fraser Valley flood and in the Red River Valley flood. We asked them to pay 75 per cent as they had done before in the draining of water off the flooded areas and even diking. We asked them to pay 75 per cent of the cost of helping the municipalities to repair their roads, streets and bridges. We asked them to share 50-50, as they had done elsewhere, on damaged residences. We made application in April, and in October we finally got a reply. On October 19th the Prime Minister says:

March 16, 1956

". . . I am now happy to be able to inform you that the Government of Canada would be willing to enter in an arrangement with the Government of Saskatchewan, whereby Canada would share the costs of effecting repairs to damaged homes and associated structures as was done in the serious flooding which occurred in onto a year ago. . .

"The Federal Government will be prepared to assume 50% of the expenditure involved. . ."

Someone said the other day that if this expenditure is small it is because we have limited it. Not at all. We will pay our 50 per cent of repairs on any homes that are damaged. But as everybody knows there was no large urban centre involved. It will be small villages, small communities, farm homes - but no large area. The expenditure will not be large. But here is what he goes on to say:

". . . My colleagues and I have considered the other elements in the representations of your Government and have concluded that Canada should not incur financial obligations with respect to the construction or restoration of provincial or municipal public works. . ."

When I wrote to him and protested, he wrote back under date of December 20th, and when I asked him why they didn't do something for the municipalities, he answered as follows:

". . . In these earlier and relatively much larger instances, federal aid took the form of a lump sum ex gratia payments to the province."

Then why was there not an ex gratia payment to Saskatchewan? But he said those were "earlier and relatively much larger instances." He goes on in the same letter to say:

". . . With respect to the central of flooding generally, I would point out that this is the direct responsibility of the provincial governments."

In British Columbia it was 75 per cent of federal responsibility. In the Red River Valley flood it was 75 per cent a federal responsibility to drain water out of flooded areas and to dike land against flooding. But in Saskatchewan it is a "provincial responsibility." In the other two provinces money was paid out to repair streets and municipal public works. Five million dollars was given ex gratia without any strings attached. For the Province of Saskatchewan the Prime Minister says that this is not a federal responsibility at all.

The gentleman opposite get up in this House and say that there has been no discrimination and that we have been treated the same as the people in the Fraser Valley and the people in the Red River Valley. Mr. Speaker, can they explain why flooding is 75 per cent of federal responsibility in Manitoba and British Columbia but wholly a provincial responsibility in Saskatchewan, and why repairs to damaged municipal roads and bridges is 75 per cent of federal responsibility in the Red River but entirely a provincial

responsibility in Saskatchewan. They are going to have a busy time explaining this to the people of our province!

Mr. Loptson: — Don't worry! Don't worry!

Premier Douglas: — Mr. Speaker, the thing that has characterized the debate, in my opinion, is that the Official Opposition have failed completely to place before this House any constructive fiscal proposals. They talk about wanting more roads, more power lines, more grants for municipalities and more grants for schools. Yet at the same time they have complained that taxes are too high and that we should not put any harder burden on the people of the province. The Leader of the Opposition yesterday said that the municipal taxes were \$60,000,000 and that the provincial government revenue was \$87,000,000. He also said that you couldn't increase that \$60,000,000 in the municipalities, so the only thing to do is to increase the provincial government revenue. But he has not suggested in one instance a method whereby the provincial government could increase the \$87,000,000 revenue which it proposes to raise in this next year.

The gentlemen opposite took some exception yesterday to the fact that the government has been borrowing money in the United States. Well, I want to say that the gentlemen opposite, when they were in office, could not borrow money in the United States. They couldn't even borrow money in Canada! From 1932 to 1944 this province couldn't borrow any money at all except for refunding purposes. It was only when this government got the finances of this province on the sound and solid basis that we were able to go out and borrow money mainly for self-liquidating projects.

It is rather interesting, Mr. Speaker, that the gentlemen opposite had so much trouble differentiating between dead-weight debt and self-liquidating debt. I am not going to go all over again. It has been gone over so often. But the gentlemen opposite ought to recognize the difference between a man borrowing \$2,000 to go on a trip around the world (when he is finished with the trip he owes the money) and a man spending \$2,000 to buy a piece of machinery (this will bring in a regular revenue, pay for its operation and pay off the capital costs).

Mr. McDonald: — He still owes \$2,000.

Premier Douglas: — When the Leader of the Opposition said yesterday that we paid off \$19 million but we borrowed \$45 million to do it, that was the most complete display of economic ignorance that I have seen in a long time. The \$19 million that was paid off was dead-weight debt which has no asset behind it. The \$45 million was to put up facilities which have assets behind him and the proceeds from which will automatically pay off the debt.

May I take a few moments before I sit down, Mr. Speaker, to say a word about the Federal-Provincial Conference, because I am sure the members here will be interested in what has been going on. All members will remember that in 1945 we had a Conference on Reconstruction. At that time the Federal Government placed before us certain Green Book proposals. That Conference collapsed when the Premiers of Ontario and Québec refused to go along with the proposals which were then submitted. As a result we have been going along since that time on a piece-meal basis. I don't want anyone to think that I am suggesting we haven't made some progress. We've made a lot of progress, but it

March 16, 1956

haven't been on a planned basis. It has been on a hit and run basis but we have made some progress. The progress has been in doing what the Sirois-Rowell Commission recommended should be done, namely transferring some of the responsibilities from municipalities and provincial governments to the federal government, recognizing that the federal government has by far the greater taxing power.

Back in 1913 the federal government collected only about 50 per cent of the taxes in Canada; today they are collecting some 71 per cent of the taxes in Canada. Prior to 1917 the Federal Government had not even been in the income tax field. They went in in 1917 by imposing a war income tax, and of course have stayed in ever since. The Sirois-Rowell Commission recognized that since the Federal Government has this tremendous taxing power that some of that money must be funnelled back to the provinces and municipalities to relieve them of the tremendous burdens which they had. May I point out that ever since Confederation those burdens have grown. When the Fathers of Confederation gave to the provinces and municipalities responsibility for health and education and welfare, these items were not expensive. In 1867 nobody had ever heard of old age pensions, or mothers' allowance, or social aid, or hospitalization insurance, or child welfare programmes, or high schools of the standard which we have today.

As the responsibilities of the provinces and municipalities have grown in the intervening period, it has been necessary for the federal government to assume some of the burden or to divert some revenue to the provincial and municipal governments. That is what the Conference in 1945 was designed to do. As I say, while those Green Book proposals have not been carried out, we have made some progress. In 1947 we got a tax rental agreement, which was a great step forward for the provinces. Under this agreement the provinces rented certain tax fields to Ottawa and collected a share out of the control pool of taxes. This enabled the provinces to acquire taxes which they themselves could not collect. For example, there are great corporations which make their money in these western provinces but pay taxes in central Canada. They make their money here yet we cannot tax them directly. By having a pooling system we are able to get a share of that tax money which is rightfully ours.

We now have old age security legislation under which the federal government took over the responsibility for those 70 years of age and over. We have old age assistance, in which the Federal Government pays half the cost of caring for those between 65 and 70 years of age. Later we got the Disabled Persons' Pension under which the Federal Government pays half the cost of attention to those who are totally disabled. Then came the Trans-Canada agreement, by which the Federal Government has agreed to pay part of the cost of building a Trans-Canada highway. All of these are a move toward the goals which the Green Book proposals set up. While we are not going toward them in a planned manner, we are edging toward them.

When we met in October we had an agenda on which there were five items. The first item was Fiscal Arrangements. The Provincial Treasurer has reported in his budget speech on those fiscal arrangements.

I want to say two things about them just briefly. I want to say, first, that I think those fiscal arrangements in principle are eminently fairer than the old tax rental agreement because instead of taking into consideration

tax potential, which favours the wealthy provinces, it has endeavoured to bring every province insofar as the three fields of taxation are concerned, namely income taxes, corporation taxes and succession duties, up to the average of the two top provinces. The amount of money may not be satisfactory but the principle is eminently fair. I think it is better than the old tax rental agreement. I would say, however, that I doubt if enough recognition has been given to the principle of fiscal meet. It is true that in the three fields of taxation and fiscal need has been recognized, but in the other fields of taxation and fiscal need has not been recognized. That is to say, there is a difference between the capacity of different provinces to raise money from other fields of taxation in addition to these three. That is particularly true in resource development, and I am not speaking here for Saskatchewan.

In the great northern areas of Western Canada and in the northern areas of Ontario and Québec it can be seen that in the next 50 years these provinces are going to have a great hinterland which will produce large sums of money and enrich the provincial treasury. But in the Maritime Provinces there is in fact room for expansion. In many cases the resources were alienated from the Crown many years ago. One Premier told us that a mine in his province ships out 3,000,000 tons of ore a year but the Provincial Treasury doesn't get a five-cent piece. That province has the largest pulp and paper mill in the world but he doesn't receive a five-cent piece from it in royalties. In this case all the timber rights were alienated years ago. In those provinces that there is some need for recognizing that in the fields of revenue outside of three I have mentioned, which are income taxes, corporation taxes and succession duties, they are at a great disadvantage.

The position I took in October was simply this - that in Canada we are inter-dependent on each other. If the people of the Maritimes have a low standard of education, we suffer, and if they have a low standard of health, we suffer, because people in Canada moved back and forth. If the people of the Maritimes cannot participate in the hospital insurance plan, for instance, how are they going to feel about the rest of us having a hospital insurance plan when the federal government pays approximately half of it. Some of the money which the federal government will pay to us for having this service will come from provinces which are not able to enjoy the same service. Divide this country into sections and we will have sectionalism and bad feelings. We must bring these provinces that are less fortunate up to something approximating the same standards of welfare and education and health as the other provinces enjoy. Therefore I still think we require a greater measure of fiscal need.

The other thing I want to mention about the fiscal arrangements which have been proposed is the position I took at the conference, and which I have taken elsewhere. I think that by allowing the provinces to go back into the income tax and corporation tax fields at the same time they continue to get from Ottawa equalization payments, we may have taken a backward step. It stands to reason that if the Federal Government at any time decides to reduce taxes as an anti-deflationary technique in order to put more money into circulation that the moment they do reduce their tax the provincial governments which are in the same tax fields will automatically increase their tax by the same amount. I think the whole plan set forth in 1945, which was based on the Keynesian theory of economics of using central fiscal control as a means of putting money into circulation when money was scarce and pulling money out of circulation in a time of inflation, is now being considerably weakened by this proposal. However

March 16, 1956

that is not my responsibility. My responsibility was to go to the conference and to do the best I could for Saskatchewan. But as a Canadian citizen I cannot but feel that it is my duty to draw attention to the fact that I think we have taken a backward step by having the provinces go back into these various tax fields.

The second thing that was dealt with at the October conference was the Unemployment Assistance Agreement, which is just now being signed. The third thing that was dealt with was health insurance. A Committee made up of the Ministers of Health, the Provincial Treasurers and the Federal Minister of Finance was struck off to work out a proposal. As the honourable members know, a proposal is now before the provinces by which the Federal Government will pay approximately 50 per cent of the cost in any province, of hospital and diagnostic services. But this will come into effect only when at least six provinces representing a majority of the population not only give their consent but have set up such programmes. I think that means that it will be 1958 before we are likely to get any assistance under this grant. I hope it will be sooner but I certainly would not like to hold out hope that it will be.

I want to say also that with that assistance on a sliding scale Saskatchewan will get not 50 per cent but 47 per cent. I think only two provinces get less, and they are British Columbia, which gets 45 per cent, and Alberta which gets 46 per cent. We get 47 per cent. Some provinces will get over 60 per cent and some over 70 per cent. I am not objecting to that because the provinces which get the largest percentages are the provinces in the Maritimes, which need it most. Now that they have accepted, in this particular programme, the basis of fiscal need, I for one, who have advocated fiscal need over a period of years in all conscience cannot but say that that is the proper way to divide the revenue. Health Insurance has been dealt with.

There were two other items on the agenda. I am sorry to report back to the Assembly that after meeting in Ottawa last Friday I have no assurance that the conference will be reconvened to discuss them. The two items are (1) Resources development, and (2) Public Investment. Under the latter heading the federal and provincial governments discussed at one time the great development that must take place in Canada within the next five or ten years. The fact is, however, that the provincial governments and particularly the municipal governments, just cannot get the money to carry out the programmes which they must carry out. If a corporation finds it cannot borrow money, or finds that the rates of interest are too high, it leaves off its planned extension until next year or the year after. But when the municipality has a flood of people move in, it has to put in sewer and water; it has to put in sidewalks; it has to build schools. It cannot put it off until next year, or five years from now. It has to do it now in order to look after its people.

Our own estimate, which we gave to the Gordon Commission, shows that Saskatchewan - provincially and municipally - will need, in the next five years, \$560 million to carry on the great extension programmes which will just meet our minimum needs. This doesn't take into account what we will need if we had flooding conditions and were required to step up our drainage programme beyond the normal anticipated amounts. We wanted to see two things done. We wanted, first of all, to have the Municipal Improvements Assistance Act resurrected. As the hon. members will recall, this is an Act which the Federal Government passed in 1938 under which any municipality could borrow money from the federal

government for self-liquidating projects at 2½ per cent interest. It was very helpful when it was in operation. During the war the federal government discontinued it, quite properly, because materials were very difficult to procure, and naturally they wanted to discourage as much building as they could. But the Act has never been made operative again. The Saskatchewan delegation, which may I say included municipal representatives - Mr. Duff Noble from the Association of Rural Municipalities and Mayor McAskill from the Urban Municipalities - pressed very hard to have the Municipal Improvements Assistance Act revised and revived. But the prime minister indicated to us last Friday that the federal government has no intention at the present time of acting on that suggestion.

The other thing we wanted to see was some type of development fund set up in Canada by which provinces and municipalities would be able to borrow money for self-liquidating projects at low rates of interest to meet the tremendous demand for capital expenditure which will be required in the next five or ten years. Unfortunately I cannot report any progress on that item on the agenda.

The other item on the agenda was a request by the Saskatchewan delegation that a conference should be called in Canada to deal with farm marketing and farm prices. We recognize, of course, there is a conference each year called by the Minister of Agriculture to deal with farm production. But that does not deal with marketing. We wanted a conference on marketing to which the Department of Trade and Commerce, and at which the different provincial governments which are concerned with marketing boards and marketing legislation would be represented. I don't need to go into the terrific confusion which now exists constitutionally with respect to marketing legislation. Some of it is now before the Supreme Court. We think there is need for conference to deal with the whole problem of farm marketing and farm prices in order to give some stability to the agricultural industry in Saskatchewan and all across Canada, which at the present time is suffering some very stormy weather. But again I cannot give the House any good news that the federal government is prepared to convene such a conference. The Provincial Treasurer has just told me that he understands a newspaper reporter said that there may be a conference in April. If that is so, that is very good news.

Mr. Speaker, may I just conclude my few remarks on federal-provincial relations by saying that in spite of the fact that we haven't gone directly toward the Green Book proposals, we have made a lot of progress in the last ten years toward resolving federal, provincial and municipal problems. I hope we will make much more progress. I assure the municipalities that as burdens are relieved from our shoulders we shall, in turn, try to relieve the burdens on their shoulders.

I do want to urge that we cannot lose sight of the overall purpose for which the Reconstruction Conference was called in 1945. I think this piece-meal programme is better than nothing. But it has probably caused us to lose sight of the goal which we set for ourselves at the end of the war. When the war ended we were all filled with ideals. Men coming back from overseas and the civilians here, with one voice, said, "We are not going back to the conditions of the 1930's. Never again will there be poverty and insecurity in the midst of plenty." That's why the conference was set up. I am afraid we are losing the vision that we had then. I would like to conclude by reading a portion of the latter part of the submission which I made on behalf of the Saskatchewan delegation on October 3rd at the opening of the Federal-Provincial

March 16, 1956

conference last October:

"I would like to remind this conference that ten years ago the Federal-Provincial conference on reconstruction met in this capital city. At that time Prime Minister W. L. Mackenzie King stated in clear and succinct terms the national objectives which we should seek to achieve. I cannot do better than to quote a few sentences from this opening speech:

"The lessons of war have taught us the vital importance of co-operation in an effort to reach a common goal. Without unity there is frustration. Now that we are coming face to face with the problems of the post-war years, the need for unity and co-operation is not less than it has been; from some points of view it is greater. The enemies we shall have to overcome will be on our own Canadian soil. They will make their presence known in the guise of sickness, unemployment and want. It is to plan for a unified campaign in Canada against these enemies of progress and human well-being that we have come together at this time."

I would like to state most emphatically that in the view of the Saskatchewan Government those are still the national objectives towards which we ought to move and to the achievement of which this conference should devote itself. It has been said that "the proposals of 1945 are no longer suitable for our agenda in 1955". Many of us may differ with that statement but I hope that none of us will dispute the contention that the national objectives of waging war against sickness, unemployment and want as stated in 1945 are still our goal in 1955.

Undoubtedly considerable progress has been made toward the attainment of these objectives during the past ten years. The tax rental agreements have provided a more equitable distribution of tax revenues; Old Aged assistance, national health grants and other federal-provincial measures have improved our system of social security. Commencement on the construction of the Trans-Canada Highway and other development programmes have demonstrated the value of federal-provincial co-operation. I think we can take some pride in the fact that during these past ten years we have made considerable progress toward the national objectives which were enunciated in 1945.

However, I cannot help but feel that lately there has been lessening in our sense of national purpose. To some extent the vision which we had in 1945 has become blurred by sectionalism. Too often we have been preoccupied with fragments of a national programme when we ought to have been concentrating on an overall comprehensive plan for the well-being and security of the Canadian people. It seems to me important that this gathering should return to the spirit and objectives of the 1945 Conference on Reconstruction.

It is sometimes argued that the international situation and the need for heavy defence expenditures compel us to postpone for the present proceeding with programmes which were outlined in 1945. With this I cannot agree. The so-called "cold war" is more than a contest of armaments; it is also a conflict of ideas and the struggle for the mastery of men's minds. In that kind

of a war the greatest defence which this country or any other country can have is a happy and contented people who enjoy an increasing measure of protection against sickness, unemployment and want. To postpone the achievement of the objectives which were set forth in 1945 is to deprive this country of its greatest defence, namely a people who have a stake in the democratic way of life.

I am convinced that the great majority of the Canadian people supported the Reconstruction proposals in 1945 and that they support them today. I believe that they are looking to us to devise measures and techniques whereby full employment, a high level of national income and minimum standards of social security for all Canadians shall be established in this country. If we are prepared to work together for the national well-being in a spirit of co-operation and good will, I am sure this can be accomplished. We have an obligation to those we represent to succeed; history will hold us responsible if we fail.

Mr. Speaker, I shall support the motion.

Mr. A. Loptson (Saltcoats): — Mr. Speaker, I understand that some arrangements have been made so that the debate is not to be continued, but there are one or two questions that I would like to make mention of before the Hon. Provincial Treasurer closes the debate.

I am not going to answer the Premier. . .

Mr. R. Walker (Hanley): — You are very wise.

Mr. Loptson: — . . . because while he spoke for an hour and a quarter, I have heard it so often that I know it by heart, and I think everybody else has an answer for it. The outcome of that would be, or at least could be something like the old couple here some years ago, who befriended an ambitious university graduate. He had everything except money; he had great ambitions and great ambition, so he prevailed on the old couple to advance him some money. They had some savings and had acquired a little home, etc., so they didn't start him up in business, but it wasn't long before he wanted some more money. He kept on until he had used all their savings, and finally they mortgaged their home to help with his great idea. When that went bad, somebody asked Mrs. Jones, "Now why did you let that young man get away with all you had?" "Well," she said, "we just couldn't refuse him. He was such a nice young fellow; he spoke so nicely, and we really thought he had something." Now, I think that is just about what is going to happen to our farmers, if they keep on listening to the nice talk; "Why don't we borrow the money that is required to make these ambitious programmes into effect" — we'll probably be in the same position as the old couple were some years ago.

I have been listening for five weeks here to one statement that has been made by every member when he got up on his feet, and I think the Premier is as bad as the rest of them - probably a little worse. That statement is, "Look what we have done in the last 12 years, and see what the Liberals did in the last ten years that they have been in power."

Well, Mr. Speaker, I think it is only fair to the people of Saskatchewan that some corrections should be made on that statement. That statement is an insult to any adult person that was living during the period of the thirties, but there are thousands of young people who have reached, or have become

March 16, 1956

of age since 1935 and 1940, who know nothing about the conditions people went through during that period, and I submit, Mr. Speaker, that these people are dishonest when they are trying to mislead the people in assuming that conditions are the same during that period as they were during the last 12 years.

It is just like telling me that I should do just as well on a crop failure as my neighbour does on a bumper crop; that is just as fair. And I want to tell my hon. friends that if they think they are going to get any friends by going out in the country and comparing what they had accomplished during these last 12 years as compared with what was accomplished during the 12 years previous to that, they are just deliberately deceiving the intelligence of the people, or at least, I would say, insulting them.

Now, in order to substantiate my statement I have prepared the total revenue for the last 24 years - that is, the 12 years from 1932 to 1944, and 1944 to 1956.

Mr. R. Walker (Hanley): — You should have had it explained to you.

Mr. Loptson: — From 1932 to 1936 - that's what it is, and it is equal in number of years. During the previous period the revenue of the province was \$256 million. During that period nearly half the population was on total relief, being provided with food and clothing, and in some instances with fuel; their stock was being provided with fodder as well as grain. And during the period of this Government they have had a revenue of \$1,072,500,000 - or in other words, a little more than \$4 for every dollar that was previously collected, or collected by the previous government. I just merely want to place this on the record so that when the young people wish to check out the truthfulness of the statements which appear not only in this House, but all over the country, but after all, they should have some source where they can go and look it up.

I hope this will be on the record, and when young Johnny comes to me and says, "Where does this blow-hard from Canora (Mr. Kuziak) - this C.C.F.'er tell me - look what he did and look what Liberals did', where can I get the comparison?" I can say, "right here in the proceedings of the Legislature."

With these words, Mr. Speaker, I wish to say I am not going to support the budget.

Hon. C. M. Fines (Provincial Treasurer) (Closing Debate): — Mr. Speaker, in closing the debate, I should like, first of all, to just remind my hon. friend from Saltcoats (Mr. Loptson) that during the last 12 years the Liberal Party was in power in this province, five to six years of that was during a period of the greatest economic activity in the Dominion of Canada in our whole history. During the war there was a tremendous development - industries mushrooming and springing up everywhere, except Saskatchewan, where, of course, we had a Liberal administration.

Now, Mr. Speaker, I had not intended to say anything in closing the debate, because frankly, it is only my privilege to reply to statements that have been made, and I did not think that anything had been said that hadn't already been very effectively replied to by my colleagues on this side of the House. I would like to take this opportunity of thanking all those who have taken part in the debate. I have enjoyed very much the suggestions that have been made; the support that has been given by my colleagues on this side, and the criticisms generally speaking, on the Opposition side.

I think if I have any criticism of this debate, it would be the lack of interest that seems to be displayed by members of the House. I regret very much that there is as much absenteeism as there is. I think it is most regrettable. On the Opposition side, for instance, at this moment, when we are closing what is most undoubtedly the most important debate, we see three members out of eleven in their seats. The members on this side have not all been a regular in their attendance, and I, Mr. Speaker, deplore that, because I think there is a great deal we can learn by remaining in our seats and listening to those who are taking part. I think it is a lack of courtesy when the members do not remain in their seats to listen to what is going on.

Now I realize there are times when members must necessarily be out of the House, I think that those times should be kept to an absolute minimum. It is our duty to remain here, and follow the proceedings. Many questions have come up; many statements have been made. The hon. member from Souris-Estevan (Mr. Kohaly) the other day made many statements that he would never have made, had he read the Budget Address, and if he had remained in the House to listen to the Debate that has taken place, because many of the statements he made has been answered by the various Ministers and speakers who had taken part.

Now, Mr. Speaker, as I indicated at the beginning, I had not intended to say much in closing the debate, but after listening to the hon. Leader of the Opposition yesterday, I felt that I must. The hon. Leader of the Opposition (Mr. McDonald) yesterday accused the Provincial Treasurer of this province of making statements that were false. I resent that. It is not the first time in this House when hon. members have tried to discredit the Provincial Treasurer, but I feel, after having been in this position now for nearly 12 years, and being the senior Provincial Treasurer in the whole Dominion of Canada today, that I should reply to some of the accusations, and I wish the hon. Leader of the Opposition were in his seat now. I think it is most regrettable that statements I am going to make should be in his absence. Oh, here he comes now!

First of all, the hon. Leader of the Opposition (I shall repeat this for his benefit) accused the Provincial Treasurer yesterday of making false statements. The hon. member from Arm River (Mr. Danielson) accused the Provincial Treasurer on more than one occasion of 'cooking the books' and 'falsifying the records'. Well, Mr. Speaker, I had not intended to reply to the hon. member for Arm River, or the hon. member for Maple Creek (Mr. Cameron). I have tried throughout these years to get them to understand our accounting system - to get them to understand what is meant by debt; to show the different types of debt; to show how the debt is determined, but nothing I have said in the past has made any impression upon them whatsoever.

March 16, 1956

I have thought, however, that the Leader of the Opposition had sufficient intelligence that he could have understood it. But yesterday he made statements that I must correct. First of all, he said that my first budgets used the same systems; the ones that were used in all other provinces of Canada. Now, Mr. Speaker, does the hon. Leader of the Opposition now know what they do in other provinces? Has he not read the budget address of other provinces? Has he not read the statements prepared by other provinces? I am not going to give them all to you, but I will give you a cross-section from different ones. For instance, we have the first province of Canada here, the province of Ontario. What is their system? Well, here we have the provincial debt. It sets out the gross debt and then on Page 60 provincial debt. It says:

"Gross debt - \$826 million; revenue producing and realizable assets - \$271,593,000; net debt - \$554,634,000."

May I point out it is not only revenue-producing enterprises, realizable assets that are deducted. That is taken from the 1953 Budget Address.

Then we come to British Columbia. I have here the Budget Address for 1956. What happens in British Columbia? Well, they set out gross debt - \$214,487,000; to determine the net public debt there is deducted, the net self-supporting or self-liquidating debt incurred on behalf of, and repayable by the B.C. Power Commission; and provincial sinking funds, a \$125,937,000 - equal to a per capita debt - (notice this) of \$96.30. That is the system used in British Columbia.

Go to the other end of the continent, down to New Brunswick. What do they do there? It says, "It is at once apparent that if the N.B. Electric Power Commission spends \$5 million for an expansion project, it increases our net fund of debt figure by that amount, but makes no change in our net debt figure. It is the net debt figure with which we are primarily concerned, for it is the net debt from which interest and sinking funds must be found from the general revenues of the province."

Or, we go to our neighbouring province of Manitoba, which my hon. friends love to quote. What do they do? Here we have it again. The total gross debt - \$191,591,000; and then deduct the gross debt for self-sustaining utilities - telephone system, power commission, hydro-electric - \$132 million, leaving a gross non-utility debt of \$59 million from which they deduct their sinking funds - \$28 million, and leave a net debt of \$30 million; a net debt of approximately \$40 per capita.

Now, Mr. Speaker, my hon. friend stands in his place yesterday and says that the system which I used in my first seven budget addresses was the system that is used in all other provinces.

Mr. Kramer (The Battlefords): — He just doesn't know!

Hon. Mr. Fines: — Incorrect statement No. 1! May I point out also that one can go back a long way to trace the development of this. For instance, I have here the statement made by the hon. Mr. C.A. Dunning on January 29, 1919. May I say, Mr. Speaker, (I would like to say this today,

because Mr. Dunning is still active and still enjoying reasonably good health, although he had a heart attack during the past couple of months). I would like to say that of all the budget addresses that I have read; of all the provincial treasurers in Canada - and I have read hundreds of them - there is none that can compare with those budget addresses of the Hon. C.A. Dunning away back 35 years ago. I have one here, for instance, of 1919. He goes on to talk about the debt, and he says;

"Mr. Speaker, what about this awful debt? What is it actually? On December 31st the gross public debt of the province amounted to \$29,635,000. In considering the matter, however, the fact that a large portion of this debt is self-sustaining must be considered. The public who use the telephone system of the province pay that interest in the form of telephone rentals and toll charges, and so on. . ."

Then he goes on to point out that:

"The principal items in our self-sustaining debt are the investment in our provincial plant - consisting of the parliament buildings, court houses, universities, mental hospital, land titles office, roads and bridges - every form of investment, in other words, which is necessary for the government to make for the people, but which does not bring in, so far as the government is concerned, any interest into the treasury."

Then he goes on:

"The total net debt is, therefore \$16,476,000 or per capita \$22.14."

Then I can go on again to the same gentleman next year, where he says:

"I do not attach" (I hope the hon. Leader of the Opposition will listen to this) - "I do not attach a great deal of importance to the gross debt, because in Saskatchewan a very large portion of that gross debt is self-sustaining. It is all very well to say that it is \$41.95 per head of population, but unless all the people of the province had to pay the interest annually on that per capita amount, it doesn't mean very much to them, so the net debt is what I am chiefly interested in, from a financial point of view, and that now stands at \$17,742,000. That is per capita, \$21.30."

Or, I could go on again and quote Mr. Dunning. May I point out that one of the things Mr. Dunning did not do, nor did Mr. Gardiner, who followed him, nor did Mr. Patterson who followed him, nor did Mr. MacPherson - one of the things they did not do was to count contingent liabilities. Mr. Dunning said:

"I should deal with our contingent liabilities, because they are liabilities, although not in the same class of the public debt. The province is liable for them, in case

March 16, 1956

default takes place. Our total contingent liabilities as shown in the public accounts for 1921-22 is \$31,416,000, principally made up of railway guarantees which stood at that time at \$28,582,000."

We're pikers! Away back in the days when these pioneers had courage and vision, they were willing to try and get the province developed; get industry in, get the railways in and going by guaranteeing the debt amounting to this \$28,582,000. What courage that Liberal Party has lost, when in the meantime they criticize us and oppose a guarantee for \$5½ million for a cement plant.

I want to go on again, Mr. Speaker, to Mr. Dunning. This comes away on in 1923, when again he points out the total of the public debt with \$69.35. He goes on and says:

"The people of the province do not have to pay interest on the whole of this amount because a large part of it, nearly half, is invested in undertaking which carry their own interest charges, such as the Farm Loan Board, the telephone system and the Co-operative Elevator system."

The net debt which does not produce revenue, was at that date \$32 million, or \$39.08 per capita of population.

Now, Mr. Speaker, we could go on to Mr. Gardiner on February 15, 1927 when he too made similar statements. I am going to skip some of these. I have a great many of them marked, but Mr. Gardiner - what does he say about it? Well, he points out what the gross debt is, and then he goes on:

"The public buildings and highways account for \$32,328,000 of that total."

That, Mr. Speaker, is the net debt of the province and is the only part of it which has been a charge upon the revenues collected by way of taxation from the people of the province. Then he deals with the other items which go to make up the self-liquidating part. Then we come to Mr. Patterson, January 17, 1929. He said:

"The public debt of the province stands today at \$60,990,000, of which \$25,217,000 is self-supporting. The net debt is \$35,772,000."

In other words, the difference between the gross debt and the self-supporting part is the net debt, according to Mr. Patterson on January 17, 1929.

Now, we go on, Mr. Speaker, to more modern history. We go to February 18, 1932 when we had a Conservative, Mr. M.A. MacPherson, whose intelligence I am sure cannot be called into question. What does Mr. MacPherson have to say about it? Well, he goes on to deal with the public debt. He said:

"I have already been asked a question in the House and given the public debt as at December 31st, the sum of \$122,980,000. I believe it has been customary in this House, in reviewing the financial position of the province, not to include at this time the debt some of which would constitute the cash deficit at the end of the fiscal year."

Then he goes on and points out:

"There are revenue-producing enterprises, such as telephones, \$13,300,000; Co-op. elevators, \$2 million; agricultural aids, \$569,000; farm loans, \$15,105,000; Power Commission, \$6,157,000; Wheat Pool guarantees, \$13,577,000."

He deducts all that and says:

"The net public debt, as of December 31st, was \$68,231,000."

Then again on separate 16, 1938 Mr. Patterson said:

"Of the gross debt, some \$46 million is regarded as self-supporting and this total comprises. . . (he then sets out the items).

"Adding this to the amount of \$12,190,000 held in sinking funds, the net public debt stands at \$132 million. The gross debt was \$191 million."

And again Mr. Patterson on February 27 did the same thing. He points out the public debt stood at \$206,120,000 and then he said the same date:

"The amount of provincial sinking funds stood at \$13 million. This amount together with the self-supporting portion of the gross public debt of \$29,565,000 leaves a net public debt of \$162,000."

Now, have I given you enough yet to show you? Mr. Speaker, I could go on with a lot more. I go on to 1941, for instance to Mr. Patterson again. On March 19, 1942 I find something different:

"Gross public debt of Saskatchewan as at January 1, 1942 was: bonded debt, treasury bills, bank overdrafts, accounts payable - total: \$227 million less sinking funds - \$19,682,000; net public debt: \$207,565,000."

Now I don't know what happened to Mr. Patterson, Mr. Speaker, but between the year 1941 and 1942 he changed the form of the public debt. Now, I pointed out to you that from 1919 to 1942 the system we are using today was the system which was in effect. In 1944, or rather 1945 when I introduced my first budget, I used almost the same form as Mr. Patterson except that I included bank balances. I remember how I was criticized by Mr. Patterson for using bank balances. Another thing I didn't do with my first one, I did not include contingent liabilities, because it had not been used in these other cases.

Well then, when we came to 1946 I used the accounts payable, and the contingent liabilities and the cash balances, but again I was criticized by the financial critic, Mr. Patterson, so in 1947 I dropped the accounts payable, and I dropped the cash balances, but still kept the contingent liabilities. So, in the first three budget addresses I gave, I used a different system each time. Yet my hon. friends say I used the same system and then in 1952 changed it.

March 16, 1956

Now, what I have tried to do is to try and give to the members of the House an understanding of this problem of debt; of what it is made up; to try and point out to them that there is a difference. In that year we talked about the partial self-liquidating debt; I must emphasize, Mr. Speaker, that debt is divided into two classes, but pointing out that there are some people who believe that debt incurred for highways should be classified as self-liquidating. Now there is an argument for it, because without spending that money on the highways, you are not going to be able to collect your gasoline tax and your motor license fees. I have no doubt that the construction of the Trans-Canada highway will be paid for in large measure by the people who pass through this province. I am confident that it is going to be at least partially self-liquidating, and that is the point I tried to make to my hon. friends - not to try to confuse them at all. I think my motives were completely misunderstood. I shall give them the benefit of the doubt.

Now the next point that my hon. friend made was that the lowest debt was in 1948, because of the debt paid off by other agencies. It was not due to the good management of the Provincial Treasurer; it was due to the good management of the Wheat Pool and of those other people. Mr. Speaker, I want to tell you here today what I have said many times before, that after all, the Provincial Treasurer is only the instrument of the people. The Provincial Treasurer's responsibility is to see that these monies come in, and are spent as they should be. It is not a question of good or bad management. I appreciate what the Premier had to say and I thank him for his complement, but I have always taken the position that it is the people of the province that should get the credit. I have tried to express that; I have tried to express it (probably I didn't make it clear) in the budget address again this year that the reason we are in the excellent financial position we are was because of the people of this province, assisted by a kindly providence.

Now, the debt has been increased, we are told, from \$147 million to \$200 million. I want to show you later that this is not correct. Now, Mr. Speaker, this is the part that I resent most of all. The Leader of the Opposition said:

"I want to correct an impression given by the Provincial Treasurer. On many occasions the Provincial Treasurer has said that he is borrowing money at lower rates than other provinces.

"I submit to you, Mr. Speaker, that that is not the situation. On April. . ."

I haven't the exact date, but in April, 1954 he said, and I want to quote: (Then he quoted):

"Only this month we were able to borrow \$10 million at a lower rate of interest than any other province, or even the Dominion Government since 1950".

(Note that word: 'since 1950').

now, Mr. Speaker, I fortunately keep any press statements which I give, and I have here the copy of the press statement which was given by myself on April 1st, 1954. Here is what I said:

"I am delighted with the wonderful response to our call for tenders to purchase \$10 million of 18-years debentures. The excellent prices obtained have resulted in Saskatchewan borrowing on the Canadian market at a lower price than that of the Dominion Government, or of any province in Canada since 1950."

Now, what does the Leader of the Opposition do with that statement? I don't know if this is deliberate misrepresentation or whether it is stupidity, or whether it is a combination.

Mr. C. G. Willis (Melfort-Tisdale): — Both!

Hon. Mr. Fines: — But he says:

"Now that statement, Mr. Speaker, cannot be borne out by facts, because in 1950 the Dominion Government refunded two loans."

I didn't say anything about 1950; I said that this was the lowest on the Canadian market since 1950. He didn't need to go to the Dominion Government; he could have gone to Saskatchewan itself if he wanted to misrepresent the thing, because in 1950 with borrowed money at 3 1/8 per cent. Then he goes on and says: "The Dominion Government refunded two loans; one amounting to \$395 million at 2 per cent."

Well, now, Mr. Speaker, this is without a doubt the prize joke of the year! Does the Leader of the Opposition not know there is a tremendous difference in borrowing for a period of 18 years and borrowing for two or three, or even four years? Surely he knows that short-term money is cheap, is low. Why didn't he take Dominion treasury bills that year that were selling at around 1½ per cent - 90-day bills. He could have taken that. But he takes here "a Dominion loan for four years which was sold at 2 per cent" and compares that with the 18-year borrowing.

Then you will notice that it was in 1950 - the second one amounting to \$350 million at 2¾ per cent. Again, Mr. Speaker, that was in 1950. I made no claim whatsoever of having borrowed cheaper than the Dominion Government in 1950. My statement and I'll repeat it - it's right here; my statement was very, very clear:

"The excellent price obtained has resulted in Saskatchewan borrowing on the Canadian market at a lower price than that of the Dominion Government, or any province in Canada, since 1950."

Then he goes on and while he's talking about that, he says:

"The average coupon rate in 1954 for the Dominion of Canada was 2.86 per cent while in Saskatchewan it was 3.9 per cent."

March 16, 1956

Mr. Speaker, that is one of the most despicable things that has ever been attempted in this House to try and give the impression that that was the rate at which the province had borrowed money during that year.

Mr. Macdonald (Leader of Opposition): — It's true.

Hon. Mr. Fines: — And the average rate at which the Dominion had borrowed that year. Here he was, talking about the Dominion loans of \$395 million for one, and another one for \$350 million at $2\frac{3}{4}$ per cent, and then he puts that paragraph in, and goes on:

"In the same period, as a matter of fact, in 1951, New Brunswick and Ontario sold bonds at $3\frac{1}{4}$ per cent. . ."

Now, Mr. Speaker, surely the hon. gentleman knows that the average coupon rate for the Dominion of Canada taking into account all the indebtedness outstanding.

Hon. Mr. Kuziak (Minister of Telephones): — Liberal debts!

Hon. Mr. Fines: — Now, the same is true in Saskatchewan. I have here a table of the debt by coupon rate and the dates indicated, and I find for example, that when we took over the debts in 1944 we had no 3 per cent bonds outstanding. We had no $3\frac{1}{8}$ per cent bonds outstanding; we had no $3\frac{1}{4}$ per cent bonds outstanding; we had \$400,000 at $3\frac{1}{2}$ per cent; \$15 million at $3\frac{3}{4}$; \$31 million at 4 per cent; no $4\frac{1}{4}$ per cent; but we had 40,000,000 $4\frac{1}{2}$ per cents; \$20 million at 5 per cent; and 10 million - \$10,194,000 at $5\frac{1}{2}$ per cent; and \$7,980,000 at 6 per cent. In other words, out of a gross debt of \$125 million, over \$80 million of it had an interest rate of $4\frac{1}{2}$ per cent or higher.

Now, much of that indebtedness will not mature until 1959, 1960 and some of it not until 1963. What is the situation today? Well, today we have \$8 million at 3 per cent money; we have \$15,875,000 at $3\frac{1}{8}$ per cent; we have \$42 million at $3\frac{1}{4}$ per cent; we have \$36 million at $3\frac{1}{2}$ per cent; \$25 million at $3\frac{3}{4}$ per cent; \$22 million at 4 per cent; \$6 million at $4\frac{1}{2}$ per cent, and we still have the balance of old Liberal debts or Conservative, some of them - \$10 million instead of \$40 million of $4\frac{1}{2}$ per cent; \$12 million instead of \$20 million of 5 per cent; no $5\frac{1}{2}$ per cents and no 6 per cents. In other words, today out of a total gross debt of \$179 million, we have only \$22 million of $4\frac{1}{2}$ per cent or over, whereas before we had over \$80 million out of \$125 million.

So I would say, Mr. Speaker, that we are very rapidly reducing the amount of high coupon debt and increasing the amount of the low interest on debt, with the result that year by year we are bringing our average rate down. But again, I want to say that I cannot understand why the hon. member put this paragraph in between:

"In the same period, as a matter of fact, in 1951, New Brunswick and Ontario sold bonds at $3\frac{1}{4}$ per cent, and Québec had a rate of $2\frac{7}{8}$ per cent."

Well, now, Mr. Speaker, I wonder who the hon. member thinks that he is fooling?

I have here a list of all the indebtedness of every province in Canada, and I have it for each year since 1944. He says "in the same period, as a matter of fact, in 1951, New Brunswick and Ontario sold bonds at $3\frac{1}{4}$ per cent." Yes, I must confess, New Brunswick did. They sold \$13 million of bonds at $3\frac{1}{4}$ per cent - for a three-year period! Bonds which they sold mostly to their own accounts. They already had the old ones and sold them to their own accounts. But in 1951 new Brunswick did some other borrowing. They borrowed \$5 million for only 13 years. That cost them $4\frac{1}{2}$ per cent. $\$7\frac{1}{2}$ million in 1953 at $4\frac{1}{2}$ per cent; $\$8\frac{1}{2}$ million in 1954 at $4\frac{1}{2}$ per cent; $\$7\frac{1}{2}$ million at $4\frac{1}{2}$ per cent; \$9,200,000 at $3\frac{3}{4}$ per cent, and \$11 million at 4 per cent.

So you see, New Brunswick did not sell bonds at $3\frac{1}{4}$ per cent except for these short-term - we usually refer to them as bills or notes - when they get that short. And then he talks about Québec. Well, I looked up the list on Québec and I find he's right. Québec did sell \$50 million in 1951 at $2\frac{7}{8}$ per cent. But where? In the United States.

My statement said: "As a result of Saskatchewan borrowing on the Canadian market at a lower price than that of the Dominion. . ."

Hon. Mr. Kuziak: — Honest Joe!

Mr. McDonald: — You should have gone down to the United States than.

Hon. Mr. Fines: — Then he goes on:

"Again in 1952, Nova Scotia was able to complete a deal for $2\frac{1}{4}$ per cent interest."

Another two-year bond! At $2\frac{1}{4}$ per cent!

Mr. McDonald: — It's money.

Hon. Mr. Fines: — And he says:

"At the same time the Provincial Treasurer is paying $3\frac{1}{4}$ per cent, the province of Québec were able to negotiate a deal at $3\frac{1}{4}$ per cent, but the Québec bonds sold for \$98.65 for every \$100 while we were only able to get \$97.28."

Mr. Speaker, my statement was still right, because Québec came to market after we did. If my hon. friend would take the trouble to look this up he would find that the Québec issue came out on May 1st, while ours came out on April 15.

I must say that I have no crystal ball. I cannot predict what other provinces are going to have to pay for money at a date after I make these statements. I have no way of knowing.

Now then, the climax comes when he goes on. (And this is a verbatim report - I wrote it out by hand so there would be no mistake about it; I listened to it on the machine this morning, and wrote it out by hand):

March 16, 1956

"for a number of years the Provincial Treasure has been able to issue bonds at about 3½ per cent interest, and in some instances he is able to get the money at about 3 per cent. But it is worthy to note that he is not able to do this any longer, because of the fact that the last loan he arranged for the province, he had to pay, I think 3¾ per cent for the \$25 million which was borrowed in the United States on January 2, 1956.

"The borrowings for the year 1955-56 range, as far as coupon rate is concerned, from 3½ per cent in May, 1955 to 3¾ per cent on January 2, 1956."

Mr. Speaker, I wonder, does the hon. member really seriously mean that? Does he really seriously believe that our credit is not as good today as it was last spring?

Mr. McDonald: — It's your own statement, taken out of your own budget speech.

Hon. Mr. Fines: — Well, do you believe that our credit has gone down because we paid 3¾ per cent now, compared to 3¼ per cent last April?

Mr. McDonald: — You must have been gypped then!

Hon. Mr. Fines: — Well, is that what the hon. member believes? Does he believe our credit has gone down? I take it from this that he does. Now, Mr. Speaker, my hon. friend can get this - published in the Bank of Canada Statistical Summary; there he can get the rates of money; what do I find? I find, for example, on February 16, 1955 - that is the average for that month, 90-day Dominion Treasury bills were selling at .86. A few days later they were down as low as .78 per cent for a 90-day bill. Treasury bills sold on the market last Thursday at the rate of 2.60 per cent for 90-day bills. The Dominion Government paid three times as much for money in March of this year, as they did in February of last year, for 91-day treasury bills.

Now, does that mean that the Dominion Government's credit is only one-third as good today as it was a year ago? That's the argument my hon. friend tried to use yesterday with the province. Surely he knows sufficient about public finance to know that there is a fluctuation in the price; surely he knows that in this country the Bank of Canada deliberately raise and lower interest rates; surely he knows that even as recently as 10 days ago the Bank of Canada took steps to see that the National Housing Loans were raised back to 5½ per cent. Surely he knows that call loans have been raised on several locations in recent months, forcing interest rates everywhere. We borrowed this money in the States on first of December for - to be dated January 2nd at 3¾ per cent; the province of Ontario came out with a bond issue after that at 4 per cent. If the great province of Ontario has to pay 4 per cent for money, then I do not think we need to be ashamed if we have to pay 3¾ per cent, Mr. Speaker.

Then he said that we are frequently making statements to the effect that we are borrowing at lower rates than other provinces. Mr. Speaker, at no time have we attempted to gloat over the fact that we have been able to borrow money at lower rates than other provinces. I am delighted that we have been able to get our credit position to where we can borrow money as cheaply as

other provinces. I want to tell my hon. friend - he made some fun of the fact that we have gone down into the States to borrow money that we did, and have no apologies for it. I want to tell him something else. I was the first Provincial Treasurer in the Dominion of Canada to do it in post-war years. In August, 1950 when we went to New York to borrow money, here in this Dominion we would have had to pay $3\frac{3}{4}$ per cent and have a discount on it, I was successful in the United States markets in borrowing \$6 million at $3\frac{1}{8}$ per cent end up those bonds were sold at par.

Not only that, Mr. Speaker, but when we brought that \$6 million back we brought back with us a premium of 10 per cent so that we had \$600,000 extra Canadian dollars when we got it back here. The issue was so popular that they told us they would sell some more for us - another \$2 million. Before we got the \$2 million back, the Dominion Government had removed the 10 per cent exchange - the foreign exchange control board, rather, had removed it, and it dropped. We didn't get the 10 per cent on the \$2 million - our timing was just that close.

Now, Mr. Speaker, that was away back in August, 1950. Yet I have no apologies to make to my hon. friend, or the people of Saskatchewan, for the fact that we have borrowed in the United States. We have borrowed in the United States when it has been in the best interests of the people of this province to do so. We have borrowed there when we could borrow at a better rate than we could in Canada, knowing that we had this tremendous programme coming up this year - a programme that is going to tax the resources of this province to the limit. It is for that reason, that before I would undertake to prepare this budget, I went to New York last December and arranged to borrow this \$25 million. Mr. Speaker, to get \$25 million at any price was a great accomplishment for Saskatchewan! May I say it is the largest private deal ever negotiated in the U.S.A. by any province in the Dominion of Canada, and the fact that we got that \$25 million at $3\frac{3}{4}$ per cent was fully justified by the fact that, one month later, the great province of Ontario went to market and paid in Canada 4 per cent for something like \$40 million.

Now, I would point out that while it is true we have gone eight times and have borrowed the amounts our friend mentioned yesterday, as a matter of fact, Mr. Speaker, he could have made it better. If he had wanted to tell the whole story he could have put another \$20 million there. We borrowed \$20 million about five years ago and then we turned around and called it, refunded it and borrowed another \$12.8 million, so we have done even better in the United States than he gave us credit for. But I would like to say that the great province of Québec has done very well. Québec's finances are in probably the best shape of any province in Canada, outside of our friends in Alberta. I notice they borrowed \$175 million in U.S. in 1951-55. The great province of Ontario - here we go - five times 50 - \$250 million they have borrowed. Nova Scotia \$58 million - even more than we did, for Nova Scotia. Yet, Mr. Speaker, you can go through these records, month by month, year by year, of the borrowings in the U.S. of the various Canadian provinces, and Saskatchewan has fared very, very well.

I think the greatest advantage of this last borrowing was the fact that we were able to get a large amount of money at a rate of interest that was reasonable, and at a time that was appropriate. If we had left it one week, we could not have done it. We couldn't have done it a week later at the rate.

March 16, 1956

Our timing was correct, and again I take no special credit for that because I could have been a week out the other way, just as well.

Now, Mr. Speaker, the Leader of the Opposition quoted some statements yesterday to try to prove that the debt was not as I have given it. I don't think there is really very much difference between the Opposition and myself on the debt. I have been quoting figures which gives the net debt, as I believe, and as others believe it should be. I quoted to show what three previous Provincial Treasurers have had to say about it. I quoted to show what Treasurers in other parts of Canada - I could quote, my hon. friend, what they do in the Dominion Government - here I have the accounts for 1952, and here is what it says about the public debt. It says:

"The gross public debt of Canada increased by \$334 million from \$16,923 million as at March 31, 1951 to \$17,257 million at March 31, 1952.

"During the same period, active or realizable or revenue-producing assets increased by 582 million, with the result that the net debt (and listen to this) which is the gross public debt, less the active assets, was reduced by \$248 million."

We don't go nearly as far as they do there. I don't think there is another province in Canada that counts, for example, the contingent liabilities. I think that we have gone over backwards to try and put everything we could into our debt.

Now, Mr. Speaker, my hon. friend quoted from the Bank of Montréal statement. I have no quarrel whatsoever with it. The figures are absolutely correct. We gave them to them so they are correct. But may I say that the Bank of Montréal realized that the statement is not complete. As a matter of fact, I wrote the General Manager of the Bank after my hon. friend from Arm River (Mr. Danielson) the other day quoted from it, drawing his attention to the fact that this is on a strictly gross basis, and can be very misleading. For example, I pointed out to him that this shows the province of Ontario to have the highest debt in Canada - \$372 per capita.

Well now, I think that anybody that knows anything about finance, knows that Ontario's net debt is not anywhere near the highest in Canada. I pointed out to him that I was not afraid of this statement in the hands of the investment people; investment dealers. I was afraid that when 'picayune' politicians got it, it could be a very dangerous document.

Now, Mr. Speaker, I have here another one of my hon. friend quoted from - the Bank of Canada Statistical Summary. This Bank of Canada Statistical Summary is always a very good source of information; accurate - again they get their information from us. Here it says:

"Public Finance - Provincial Government Outstanding Debt: — All provinces have advances to, or guarantees for enterprises of a self-liquidating nature. Thus, the dead-weight debt of a province in any one year may be considerably less than the outstanding debt. Also frequently, provinces have cash investments of sizable amounts"

In other words, they didn't try to show these things, but the one thing I would like to point out about this statement from the Bank of Canada is that from 1945 to 1954 in the Liberal Government's Prince Edward Island, the debt has gone up 75 per cent. The Liberal province of Nova Scotia has gone up 98 per cent. In the Conservative, but largely under Liberal Government during this period, New Brunswick has gone up by 90 per cent to me: Québec, the debt has gone up there by 105 per cent; Ontario by 155 per cent; Manitoba has gone up by 91 per cent; British Columbia has gone up by 87 per cent; but Saskatchewan has gone down by 2 per cent.

Or, you can take this one that my hon. friend quoted from yesterday, the one put out by the Dominion Bureau of Statistics. I notice he was very, very careful yesterday to take just the net direct debt; he didn't add the indirect items as well, which was right beside him; if he had done, he would not have quoted our debt at \$205 - he would have quoted it at \$209. But of course, that would have put Ontario up to \$347 instead of \$193, because the Ontario, the Power Commission there borrows money directly with a guarantee by the province. Here we borrow it and advance it to the Corporation, so the true way to do it is to put the two together. But even at that, that shows Nova Scotia, \$283; New Brunswick \$331; Ontario, \$347; B.C. \$220, and Saskatchewan \$209. But again, may I point out that right underneath, the hon. member made no mention of that, are the assets offsetting direct and indirect debt as at March 31, 1954. There, there is an item of approximately \$130 million which could have been deducted from our debt, but he didn't choose to do it that way.

Now, I have one other set of books here. This one is put out by the Investment Dealers' Association and may I say the Investment Dealers' Association takes in practically all the important investment dealers in Canada. They have for many years, had a statement at the back which shows the debt. Here it is;

"Prince Edward Island had a debt (in 1945) of \$83.27; Québec - \$95 and so on - up to Saskatchewan, which stood ninth, \$230.41."

That is the net debt per capita - \$230.41 - the highest of any of the nine provinces listed there for the year 1945, January.

Then we come to the last year for which we have the table; 1953. What do we find here? The highest one in this is \$261, in the province of Nova Scotia; New Brunswick \$238; then we have Manitoba, \$174; Prince Edward Island \$175; and Saskatchewan \$88; Québec \$81½; Alberta \$104; Saskatchewan the second lowest in Canada.

Well, there you are. I don't know, Mr. Speaker, if we are any closer together or not, but I do think that it is necessary that we should put these statements on the record. I think however, no matter how good the pudding looks - whether it has raisins around it, or whether it has lots of spices in it, whether it was well-cooked or not, the proof of the pudding is in the eating, and I think it is in the eating and the budget that we have here.

Go back for instance to 1950. There you will find the interest for Saskatchewan, \$4,027,000 that is what the people had to pay. I am not

March 16, 1956

worrying about that. Now by 1954-55 the interest bill had dropped to \$3,069,000. In 1956-57 the interest bill will be \$2,600,000. Three per cent of the budget today is for interest. In 1940 when we came out of the depression, over one-third of the entire budget went for interest. Today, three per cent of the entire budget goes for interest. So I think that shows that we are getting in better shape.

May I say to, Mr. Speaker, that if we want further evidence of the debt, all one needs to do is to read the editorials and see the nice cartoon in the 'Toronto Star' March 7. Here in the cartoon we have the Ontario Conservative Government up at the top; Ontario debt increased, and down at the bottom here we have the happy Saskatchewan farmer going ahead - Saskatchewan's provincial debt reduced again! Then it says, "They laughed at the CCF Government but where does that little calf get the pick-up?"

Then it goes on to point out that the net debt of Ontario had risen last year from \$127 to \$138; not \$372, like my friend said the other day; \$138 - while in Saskatchewan our debt has been out from approximately \$210 in 1944 to \$79.35. Now, Mr. Speaker, we have heard a great deal during the last week or two about who will be here to introduce the next budget. All I want to say at this time is that I have a very special tie that I wear when I give my budget speech. I am very proud of that tie, but I was insulted four years ago by 'The Leader-Post'. They put a cartoon in the paper in which they were throwing my tie in the garbage can. Charlie Bell was good enough to send up the original drawing for me of this cartoon which appeared in 'The Leader-Post'. Anyway, in the cartoon which I have in my hand we have a June election, and a woman is throwing the tie out in the garbage can, and she is saying, "Clarence won't need this again."

Mr. Speaker, all I can say at this time is that I have asked my wife to guard that tie very, very carefully.

The question being put it was agreed to by 39 to 7.

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