

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Second Session — Sixteenth Legislature**  
**19th Day**

**Tuesday, March 12, 1957**

The House met at 2.30 o'clock p.m.  
On the Orders of the Day:

**CORRECTION OF PRESS REPORT**

**Hon. I.C. Nollet (Minister of Agriculture):** — Mr. Speaker, before the Orders of the Day are proceeded with, I would like to make reference to a report of my address appearing in 'The Leader-Post' in which it states that I said there were 150,000 tons of fodder produced on certain projects that I referred to. That should read 15,000 tons, and I mentioned that at \$10 a ton, it would mean a return on these lands of \$150,000. It isn't often the Leader-Post's errs on the other side. We would like to make four blades of grass grow where one grows, but that was going a little too far, Mr. Speaker, and I thought I should correct it.

**BUDGET DEBATE**

The House resumed, from Monday, March 11, 1957, 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).

**Eldon A. Johnson (Kerrobert-Kindersley):** — Mr. Speaker, upon rising for the first time in debate in this House, I offer to you my congratulations in addition to those others that have already been so deservedly given, upon your election to the high office that you now hold.

To you, Mr. Treasurer, I express my congratulations on a very excellent Budget which you have submitted to this House.

I would also like to congratulate our Premier on the very fine job he is doing as our leader, and may I express the wish that he will continue to be our leader for many more elections.

I would also like to congratulate all members here upon their election to the office to represent us in this Legislature. May we all dedicate ourselves to the continued advancement of our province. I have been here sometime now, and have had the opportunity to peruse the Rogues' Galley in the corridors, and I have made a very interesting discovery that the member

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for Arm River (Mr. Danielson) is the most hardy political perennial of any member in this House. To him I offer my congratulations. The member for Arm River has been in this House since 1934. That is an accomplishment of which, I feel, he can be justifiably proud.

I have been called upon to act as representative for the constituency of Kerrobert-Kindersley, which position was formerly held by Mr. John Wellbelove. Mr. Wellbelove is well remembered in this House, especially for the position he filled so ably as Deputy Speaker. Mr. Wellbelove is also well remembered in his own constituency for the honesty and integrity with which he fulfilled his duties.

Many members, in speaking here, have indicated that they come from the finest constituency in the province. I am aware that I may be provoking controversy, or possibly making a grammatical error, but I also am going to insist that I come from the finest constituency in the province. If I were to speak at appropriate length on all the merits of this area in west-central Saskatchewan, I would occupy a disproportionate amount of time in this debate. So when I speak of accomplishments of people in this area, let no one think that I have exhausted the immense field in this regard; and if I fail to mention difficulties that some may be having in it, that no one feels that I have any intention to neglect any portion of my responsibility here.

This constituency takes its name from the two largest towns in the constituency. The first mentioned, Kerrobert, is a town in the northern portion, a very progressive town, and this year is in the happy position of expecting to have gas supplied to it from the Saskatchewan Power corporation. Further to this, it is also contemplating a further civic improvement in the form of water and sewage disposal. That these accomplishments are being considered is certainly a credit to that town, with its very progressive Chamber of Commerce. The second town from which the constituency derives its name is Kindersley. Kindersley has a proud record of accomplishments, and it reflects the progressive attitude of its citizens, because it is referred to as the 'town of the future'. The community is characterized by the energetic contributions of its citizens towards the welfare of the community. Many have worked with great vision and unselfishness in making very successful co-operative organizations. About a month ago I attended a Co-op evening in our Community Hall, and in it were gathered representatives from the Co-op groups in that area. The chairman at this meeting quipped that people in this community not only live co-operatively, but they die co-operatively. I will elaborate on that by mentioned that Kindersley, for many years, has had a Community Burial Association, which provides a great service to the community.

Furthermore, for our aged, Sunset Lodge has been constructed with much appreciated aid from the Provincial Government. Sunset Lodge is a haven for many of our elder citizens, who spend their declining years there in comfort and dignity. And let no one think that in this community, recreation and youth are forgotten. It may not be important to observe that their new skating rink has an ice sheet larger than that of Maple Leaf Gardens. I think it is important, however, to note that this rink was constructed through donated money and donated efforts of citizens towards a better community.

This constituency that I am privileged to represent is primarily agriculture, and Nature for the past several yeas has indeed been bountiful. If there are any here who doubt that grain marketing is not our main agricultural problem, I would suggest that they drive along on, I might say, very excellent No. 7 Highway into the constituency of Kerrobert-Kindersley. Indeed, for many of the farmers in that region the storage of grain has become one of the primary farm expenditures, and one which we will agree is not one that is in any way remunerative.

This constituency has also benefited from the discovery of oil and gas in the Smiley-Coleville area. This discovery is of tremendous benefit in itself, in that it also made possible the modern and expanding Royalite refinery at Coleville, which is an industry of tremendous asset to that thriving town, and is one of the industries that is making further progress of this province possible.

It is to the great satisfaction of people in Kindersley that theirs was the first town in the province to be supplied with natural gas through the Saskatchewan Power Corporation, and it is certainly to the satisfaction of the people in the rural regions that most of the towns and villages, and a good many of the farmers, are using electrical power supplied through the Saskatchewan Power Corporation. I point out that this is a region which, due to the sparseness of the farming population, is one that is difficult to serve with electrical power.

Another important feature in Kindersley, and an important feature in Saskatchewan Power's integrated grid system, is the power plant at Kindersley. I wish to mention that to this power plant are being added two new 8,000 to 10,000 KVA gas turbine generators. It is a matter of interest to note that this is the second instance of such an installation in Canada; that is, Kindersley may not be first in this respect, but at least it is second. I wish to mention to the Minister in charge of the Power Corporations that the services provided through the Saskatchewan Power Corporation are much appreciated by the people in my constituency.

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Of late there has been increased interest in municipal reorganization. Let me point out that several years ago the rural Municipality of Kindersley amalgamated with the municipality to the west of us, Elma. The resulting municipality has been one which has been well administered, and has had a financial strength that is lacking in many smaller municipalities. I mention two very concrete benefits of this amalgamation. To mention one, we have been able to make much more efficient use of road equipment than was formerly possible. Another human advantage that cannot be ignored is that in this municipality as it now exists, it is possible to profitably employ some of our municipal road machinery operators for the complete year. The practice of employing men for the summer only is often as objectionable from the standpoint of the employee as it is financially unavoidable in most smaller R.M.'s.

Even though I speak with pride of the accomplishments of people in my constituency, and with satisfaction of the ways in which they have been benefited by the program and action of the Provincial Government, I don't wish to imply that no problems remain, or that none have existed.

I am pleased to observe in your Budget Speech, Mr. Treasurer, that there is to be an increase in expenditure for agriculture, which is primarily for improvements in the Agricultural Representative Service. I am pleased because of the inestimable service this organization is giving to farmers in the province, and I am desirous of seeing it expanded. I hope I can convince the Minister of Agriculture (Hon. Mr. Nollet) of the need for an assistant for our Kindersley Agricultural Representative, who is doing a marvellous job, but who is, unfortunately, seriously overworked.

There is another serious agricultural problem in my constituency, and I know it is not unique in this respect. This problem pertains to the matter of a very serious weed, that of wild oats. In my own estimation, this weed has reduced the yield of last year's crop by nearly 10 per cent. This is certainly a substantial loss to the constituency and to this province. I am cognizant of the valuable work being done to control this weed, and yet I am anxious to see research in this field very appreciably accelerated. It may be that a solution is on its way, but as of now, wild oats constitutes our most serious weed problem.

Many in agriculture are having very difficult times, and for many the difficulties are not apt to diminish either in number or in magnitude. One of our major problems is that these hardships shall be appreciably mitigated. It is accepted that we are evolving towards a more industrialized economy which will employ a continually increasing number of people from agriculture, as machines continually replace manual labour. And man, often wondering who is the master, must become more learned and specialized in his profession if he is to succeed. One of the keys to this transition is

certainly in the field of education, and various fields. Many insist that farming is a way of life. I am not going to dispute this; but I am going to suggest that in these difficult times, if farming is not done in a reasonable accordance with sound, economic agricultural principles, with due regard to the vagaries of climate, and market, farming ceases to be a way of life that provides us with the comforts and security that most desire.

And with this, let me draw your attention to a project of immense significance that is taking place in the part of the province that I consider to be the finest. This project has not escaped the attention of Mr. Carr, writing in 'The Canadian Journal of Agricultural Economics', nor has it escaped the attention of editors of many of our farm newspapers. I might also add that it did not escape the attention of the Young Farmers' Club from Davidson, and I would wish to advise the member for Arm River that, on the front page of the January 30 issue, there is a very interesting article of the visit of this group to Kindersley. That such an interesting project was initiated is to the immense credit of the Kindersley larger school unit, their former superintendent, and the Department of Education. And it is to the enduring credit of the agriculture supervisor, Mr. Jim Clark, and the group of farmers that work with him, that their project has won acclaim all across Canada. These farmers have organized a vocational farmers' club. They outline the course that they wish to hold in their schools, homes and workshops. They have held courses in welding, carpentry, motor mechanics, soils, animal husbandry, and especially for the ladies, a class in sewing and dress-making.

I would like to ask the farmers in this House if they know how much it costs each of them to produce a bushel of wheat. I would also like to ask how much wheat they have to produce in order to break even. I would also like to ask how their farm compares in efficiency to that of their neighbours. Let me tell them that the farmers in the Vocational Farmers' Clubs at Kindersley know the answers to these problems. They know, because they have worked with their agricultural supervisor at farm accounting and farm management, as well as the other courses which I have mentioned. By the way, I hope all of you will renew your subscription to 'The Western Producer' and get as a bonus the Western Farm Account Book that was developed through the efforts of Mr. Clark and his vocational farmers' clubs. This valuable project employs technical instructors from the composite school, and, as well, Mr. Clark and Mr. Rae have assisted the school in providing optional agricultural courses in grades as early as nine. This enables students to become better equipped to be farmers at an earlier age in this agricultural community. Or, on the other hand, it may help them to decide that, considering the resources at their disposal, their fortune probably lies elsewhere.

Mr. Speaker, I have no doubt that this project is making history in the field of agricultural education, and will be long noted as an important contribution to our community and our province.

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There is another unique and important development in the field of education that is also under way in the Kindersley larger school unit. This pertains to a considerable modification in the grading system, whereby students may be moved from grade to grade, according to their ability, rather than according to the conventional one-year-one-grade system. I recognize that the education of our children is one of our most important duties, and all but the most obtuse recognize that the implementation of the larger school unit system has made it possible for us to employ agricultural supervisors to develop new grading systems, and to employ teachers of the exceptional standard that we have.

Take for another example of the advantages of the larger school unit, the problem of a rapidly-growing town such as Kindersley, which has doubled its population in the last 10 years. Had it not been for the system of a larger school unit, education would have been an insuperable problem for this town. Mr. Speaker, much has been done and much remains to be done. It implies that new goals will require that we tread new paths, and we should not automatically resent or reject a proposition or situation because of its novelty.

Mr. Speaker, because in my opinion, the Provincial Treasurer has correctly appraised the revenue at his disposal, and because I feel that it is apportioned in the fairest means possible, I shall support the motion.

**Mr. N.L. Nicholson (Nipawin):** — Mr. Speaker, I intend to use the few minutes allotted to me to comment on the budget, and also to continue to tell this Assembly some of the needs of the people in my constituency, and of the northeast part of the province as a whole.

First of all, Mr. Speaker, I want to mention for a few minutes highways and roads. I am quite sure there has not been one dollar of new highway construction in my constituency during the past several years. With a highway budget of \$25 million or \$26 million, it certainly seems that we in the north-east have been left out. From the Government side of the House, we repeatedly hear that the C.C.F. Government keep their promises. Now, with reference to a statement I am going to make in a moment or two, I am very sorry the Minister of Municipal Affairs (Hon. Mr. McIntosh) is not in his seat. In this regard, however, I want to draw to the attention of this Assembly at least one instance where this has not been the case. After the election of 1944, this Government built 30-odd miles of highway from Nipawin or from White Fox in a north-easterly direction, and at the same time they built about the same mileage of highway south-west from Flin Flon, which, when completed, was to have been the so-called Flin Flon highway. This left approximately 80 miles in the centre of this proposed road that was untouched, and as far as the Government is concerned, it is still untouched.

At the present time a winter road is being bulldozed through this area to give the people of the north-east at least a winter road to Flin Flon. This being paid for by local subscription from the people of Flin Flon, Prince Albert and the Nipawin areas. On Friday next, a cavalcade is slated to leave Nipawin and go to Flin Flon on this newly bulldozed winter road. I would like to invite the members of this Legislature to try to avail themselves of that trip, and they might see what we mean in the north when we say we need roads. I have just been informed that, last Saturday, the first three truckloads of freight supplies left Meadow Lake for Uranium City on another winter road bulldozed through and paid for by local subscriptions.

Mr. Speaker, I think it is significant that the people of the north, when they can't get the support from this Government as they feel, and when they feel, they need it, they do step out and do their best to at least make an effort on their own behalf.

As far as the Flin Flon highway is concerned, Mr. Speaker, I believe that part of the expense should have been borne by the Federal Government. However, apparently that has not been the case, and it is not too important, because, previous to the 1948 election, the hon. Minister of Municipal affairs, speaking at a campaign meeting in Nipawin, made this following statement: "Elect a C.C.F. Government, and we will build the Flin Flon highway with or without Federal support." Now, that is the reason I suggested I wish he had been in his seat. I personally heard the statement, and the people in the north, Mr. Speaker, are still waiting for that one promise to be kept.

It has been mentioned on the floor of this Legislature that there will be seven or eight smaller-type mental institutions built throughout the province. One apparently has been slated for the northeast corner of the province; the towns of Melfort and Tisdale have been suggested. Mr. Speaker, I would like to bring to your attention that the town of Nipawin is located on the Saskatchewan River, and I think the members will agree that it is the future city of the north-east of the province, and I honestly believe that, were an independent non-political board chosen to lay the facts pertaining to the location of that particular institution, Nipawin would be the choice of that Board.

I spoke for just a few moments yesterday on the Time situation. I want to refer to it again, because it is, in my opinion, very important to the people in my area. The people of the northeast corner . . .

**Mr. Speaker:** — I wish to inform the hon. member that this is on the Order Paper for discussion at a later time. It is out of order to do so now.

**Mr. Nicholson:** — That's fine, Mr. Speaker. In my 'maiden' speech, I mentioned the high taxes in the larger units of the north. I would like to see the Government put a 25-mill ceiling on municipal taxes for school

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purposes. It is my understanding that the mill rate goes above 25 mills only in the fringe areas of the north. This necessary difference would have to be made up by an equalization grant.

Mr. Speaker, I think we all agree that the old-age pensioners of our province are not receiving enough pension to purchase the necessary foodstuffs to maintain a minimum standard of living. I believe this responsibility should be that of the Federal Government, but if they will not accept all of that responsibility, then I believe the Provincial Government should do its very best to make up the necessary difference. As a step in the right direction, I would ask the Provincial Government to raise the allowable income from \$1,080 (that is the last figure that I have) to \$1,440 per year for married couples, of which both are receiving the old-age pension. This would be the same as the rates now in effect in the two provinces to the west, and what it would do, Mr. Speaker, would be to make it possible for those few very needy old-age persons to be able to qualify for the supplementary allowances which is sadly needed in lots of cases.

In my 'maiden' speech I mentioned the plight of the veterans on leased lands. I also mentioned a crop-sharing alternative to a dollars-with-interest purchase plan. The 'Winnipeg Declaration' in the third paragraph on the third page stated:

"The C.C.F. will protect and make more widespread the ownership of the family farms by those who till them."

Mr. Speaker, if that statement is correct, we must do something that will make it possible for the veterans on leased lands to obtain ownership. I have sold real estate in the area where these veterans are, in the area adjoining it, and I have knowledge of the value of the land, and also of the cost, the normal cost, of clearing land, and I am convinced that we must try to make a new deal whereby the veteran can own on a crop-share basis.

One other point, Mr. Speaker, is the taxes on leased land. The difficulty the municipalities are having in collecting taxes on leased land is one that I feel the Government should do something about. The R.M. north of Nipawin has tax arrears on leased land only, of over \$100,000. I do not have the figures on the R.M. of Moose Range, but I believe the tax arrears on leased land would be considerably higher in that R.M. This puts the municipalities in a very undesirable position, as they cannot put on tax liens as is the case when they are dealing with title lands. In many cases the lessee has been notified to pay the taxes or lose the lease. If the lease is surrendered, the R.M. is the loser, and the burden of those taxes will have to be shared by the taxpayer as a whole. I would suggest to the Government that they change the leasing regulation on both agricultural and grazing leases, so that sufficient rental be charged to include taxes, and that the money received in lieu of those taxes be paid directly to the municipalities.



Now, I see my time is practically up. I want to say just a word on the budget. The hon. Provincial Treasurer in his budget speech said that we would borrow \$50 million during the coming fiscal year. If you stop to give some thought, Mr. Speaker, to the cost to the people before this debt is paid, it is bound to make you shudder. It means that our children, and our children's children will be saddled with this burden. Finding ourselves in this position after 10 years of post-war boom, what in the world would be our position if we were to have a recession? A recession would mean that only the Power and Telephones would have a chance to break even. In other words, most of the so-called self-liquidating enterprises would become a direct burden upon the taxpayer. As long as our Government insists on running businesses, which businesses are competitive by their very nature, and continually losing money in good times, then there is no human being alive who can accurately tell us what our net debt, or dead-weight debt is. What we must do is to spend our money as it becomes available, and not allow ourselves to be caught in a money-spending rat-race in trying to keep up to the other provinces. Mr. Speaker, I cannot support the motion.

**Hon. Russell Brown (Provincial Secretary):** — Mr. Speaker, in the last few weeks we have heard a lot of messages of congratulation to various people throughout this House, including those directed towards yourself. Now, I don't want to take up very much time repeating what has already been said. I would just like to associate myself with all of the congratulations which have been extended.

Mr. Speaker, I find myself sorely tempted, this afternoon, in joining in this debate, to follow the example which has been set by most of the members of the Official Opposition at least, and the times they have risen in this Chamber to participate either in this debate or in others, to make a strictly political speech. In my humble opinion that is all we have heard from the other side of the House for quite some time. I had hoped that, with the provincial election safely out of the way, our friends opposite would have paid more attention to their job as the Opposition, and given more consideration to the business of this province. However, I probably overlooked the fact that there is a Federal election coming up in the not too distant future.

But, I am not going to make a political speech such as we have heard in the last little while, Mr. Speaker. On the contrary, I am going to at least attempt to confine my remarks, this afternoon, to the business of the province and of the people. Particularly I would like to . . .

**Some Hon. Members:** — Hear, hear!

**Mr. McDonald (Leader of the Opposition):** — It will be a welcome change!

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**Hon. Mr. Brown:** —I knew that would surprise you;’ it almost surprises me. I would like to try and confine my remarks to one of the branches of Government which comes under my jurisdiction. I am speaking, of course, about the Saskatchewan Power Corporation. Now, the reasons why I selected the Power Corporation as the subject of my remarks, this afternoon, are twofold. First, because of course, the Power Corporation plays such an important part in the expanding economy of this province, and also, of course, because it has such an intimate relationship with the well-being of so many people, in so many parts of the province. I decided, too, Mr. Speaker, to discuss the activities of the Power Corporation because of the loose and irresponsible attacks which have been made upon the Corporation by my friends opposite, and because of the silly and ridiculous proposals which they have been making with regard to how they would run things if they ever had an opportunity. So I would then, this afternoon, like to spend some time giving an accounting to the members of this House of the activities of the Corporation during the last year, and to give a brief review of some of the projects which we intend to undertake this year. I would like, too, if time permits, to give a very brief review of the progress which has been made in power development in this province since the time the Corporation took over the job of electrifying Saskatchewan.

I intend, too, Mr. Speaker, to have something to say with regard to the statements which have emanated from the other side of the House. I intend to have a few words to say with regard to some of the policies which they are advocating that we adopt for the Saskatchewan Power Corporation.

I must say, though, Mr. Speaker, regarding the charges which have been made by the Opposition, and the policies which they are urging on us, that I am rather at a loss to understand just what they are getting at. I think that is quite understandable when you recall some of the things they say, or suggest. For example, one member will claim our rates are so high that we are keeping industry out of the province, and immediately afterwards you will have another member, such as the member from Pelly (Mr. Barrie), the other day, get up and suggest that what we should do is to increase our rates in the urban areas in order that we would be able to reduce the rates for the people in the rural areas.

I can recall statements which have been made by some of our friends opposite in the past. The Leader of the Opposition has stated that the rural customers should not be subsidized at the expense of the urban consumers. Of course, in the rural areas he tells the farmers that they are charged higher rates in order that we are able to keep the rates down for the customers in the urban areas. In the city, of course, he . . .

**Mr. Lopton:** — You’re all mixed up.

**Hon. Mr. Brown:** — . . . takes the exact opposite view. I suggest, Mr. Speaker, that the members opposite completely overlook the fact that the Saskatchewan Power Corporation does not serve the main urban areas in this province, such as Regina, Saskatoon, Moose Jaw, Weyburn and Swift Current.

Those are the main areas, I would think, where industry is likely to locate in this province.

**Mr. Loptson:** — Why don't you?

**Hon. Mr. Brown:** —I would point out that Regina obtains its power supplies from a municipality-owned system; Moose Jaw is served by a private concern; Weyburn has their own power plant; Swift Current and Saskatoon, of course, buy power in bulk from the Corporation and set their own retail rates. I would suggest then, that it is rather ridiculous to suggest that the Power Corporation is keeping industry out of Saskatchewan by maintaining too high rates for power. We can hardly be accused of keeping urban rates low, while placing the burden on the farm customer, when in the main we don't even serve the main urban areas.

**Mr. McDonald:** — You don't even serve anybody!

**Hon. Mr. Brown:** — These proposals which we have been hearing, Mr. Speaker, are not exactly new. We have heard them before. We have heard the charges of discrimination against the farmer; we have heard the charges of high rates; we have heard them considerably over the past few years. I recall very distinctly that, during the last Session of the Legislature, practically everyone opposite when they rose to speak, made some reference to those particular items.

Now, Mr. Speaker, in 1952, during the Session, because we were on the verge of a provincial election, I was rather doubtful as to the reasons why the Opposition continued to make these ridiculous charges and statements. To my mind there was only one of two reasons. Either it was done strictly for political purposes in order to try and arouse some indignation amongst these people in the rural areas, or, if it wasn't that, then I can only lay it to pure and utter ignorance of the operations of the Corporation. And, Mr. Speaker, while my friends across the way still apparently have some doubt as to who won it, the election is over. I can only believe then, because there wouldn't seem to be any great need to try to make political capital out of the Corporation now; I can only believe that it does boil down to the plain and simple fact that they are utterly ignorant of just how the Corporation operates.

**Mr. Loptson:** — Where's your soap-box?

**Hon. Mr. Brown:** — I would like to point out, Mr. Speaker, during the last Session when I spoke in this House, I mentioned at the time we were discussing the Power Corporation, that this Government never had taken and never would for selfish political purposes, take a chance on jeopardizing the soundness of the operations of the Corp, because its continued success and operation meant so much to the welfare of the people of this province.

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Mr. Speaker, in view of the fact that I have come to the conclusion, as I have said, that the only reason why we continue to hear these ridiculous statements and charges is, because of the ignorance of my friends opposite, I would like today to try, in a very short time, to lay before this Assembly some cold, hard, indisputable facts in regard to the operation of the Saskatchewan Power Corporation.

**Mr. McDonald:** — Good!

**Hon. Mr. Brown:** — Possibly if I can make them clear enough, and if my friends opposite will pay some attention to them, they will come to the conclusion that they have been wrong, and they will change their attitude, and they will get around to doing something that they should have been doing for quite some considerable time, and that is, giving the Saskatchewan Power Corporation credit for doing a very admirable job.

**Mr. McDonald:** —Give the farmers the credit.

**Hon. Mr. Brown:** — I notice we are getting the usual interruptions from across the way — they are giving the usual dignity of the House that our friends like to talk about. I mentioned, Mr. Speaker, that there are a number of things I would like to discuss with regard to the operations of the Power Corporation. It is rather difficult to know just exactly where to begin, but because I am . . .

**Mr. Lopton:** — You're the man who should know.

**Hon. Mr. Brown:** — . . . so absolutely convinced that it is necessary to try to educate our friends opposite, I think I will start out by dealing with some of the charges which they have levelled against the Corporation, and some of the proposals which they have made with regard to changes in our policy.

I suggest it might be beneficial if we went beyond the plain statement which is often made, that the Saskatchewan Power Corporation paid half the cost of farm power and the farmer is asked to pay the other half. I think it would be helpful if we took a look at the whole picture of farm electrification costs. I would like to point out that, to obtain power supplies for any customer whether he be rural or urban, capital investment must be made in various parts of the power system. You have, for example, to make an investment in your generating facilities; you have to make an investment in your high-voltage inter-connecting grid system; you have to make an investment in the medium-voltage 25 KV distribution grid serving your towns, villages and rural districts; and you also have to invest in your distribution system with the town. Lastly, of course, you have an investment in the distribution system to your farms and your hamlets.

The cost of your generating plant and the high-voltage are common to all customers and those costs are carried in full by the Corporation. A contribution to the construction cost is collected from customers within towns who are outside of a defined built-up power area, and, of course, a contribution is obtained from all farms and hamlets. Farm services are designed on the basis of a simultaneous demand of one kilowatt per farm, and the cost of the items I just mentioned for each farm customer, can be estimated on this basis. Similarly, urban customers supplied by the Corporation had a demand of about .6 kilowatt, and their share of certain costs is figures on that basis. That is the average capital cost per farm and urban customer is approximately for generation, for the farm customer, on a basis of the demand of one kilowatt, \$150; for the urban customers on a basis of .6 kilowatts, \$90; for the high-voltage grids, farm customers, \$50; for your urban customers, \$40; for your 25 KV distribution, \$100; for your urban system, \$60; for your urban distribution, \$150, and for your farm distribution, \$950.

The total capital cost then, to the Corporation, is, per farm, \$1,250, and for the urban customers, \$330. You can, of course, from the farm capital cost deduct the average contribution by the farmer of approximately \$500, and you have a net capital cost per farm to the Corporation of \$750. If you deduct the average contribution by the urban customer of \$10, you will find then, that the average net capital cost to the Corporation to provide service for an urban customer, is \$320.

From those figures, it is quite obvious that the Corporation's investment to serve a farm customer is more than twice that which is required to serve an urban customer. Now, I think, Mr. Speaker, you could hardly classify that as 'discrimination'. If there is any discrimination, I would say that it is against the urban customer. As I have said, the Corporation is investing some \$750 per farm customer as against \$320 per urban customer.

**Mr. Korchinski (Redberry):** — Upside-down logic!

**Hon. Mr. Brown:** — The method of charging for electrical service is to collect in the first block of the rates, or in the minimum bills, the interest and depreciation charges on this capital investment that I just mentioned, and in the late blocks, to collect for the actual cost of the energy supplied, such as tools, labour, maintenance costs, and loss of energy. I should point out, however, that it is rarely possible to achieve this in practice, since the minimum bills would be considered much too high. Some of the fixed costs are, therefore, covered by later blocks of power. However, the run-off rate of 1.5 cents per kilowatt hour is now very close to the actual fuel and labour costs of generating and distributing the energy. As consumption increases, of course, this cost will decrease in the future. At present, however, it is quite reasonable to assume 1.5 cents per kilowatt per hour for your farm customers, and 1.3 cents for urban customers, the farm figure being higher simply because of the higher losses in the rural system.

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I think those figures should dissipate one argument, Mr. Speaker, and should prove very conclusively that there certainly isn't any discrimination being shown insofar as our farm customers are concerned, when you consider the amount of capital that is required to provide service for a farm customer as compared to an urban customer. We need to go a little bit further. Let's take a look at the cost of service. The cost of service to the typical customer, farmer, or urban, can be calculated by allowing 4 ½ per cent interest and 3 per cent depreciation charges on the capital investments, and adding the energy costs and certain other administrative costs, such as meter reading, billing, load promotion and a few other matters, on a per customer basis. Taking an average farm customer, then, on the basis of one kilowatt demand, and with a consumption of say 250 kilowatt hours per month (which is about average), we can ascertain the cost of service to the farmer, and it would work out something like this. You take interest at 4 ½ per cent on the \$750 which the Corporation has invested on his behalf, that amounts to \$33.75; 3 per cent depreciation on \$1,250 - \$37.50; you include the energy, 3,000 kilowatt hours at 1.5 cents - \$45; administration costs, \$10. You get then, a total cost of service for the year of \$126.25; and that, Mr. Speaker, works out to about \$10.52 per month that it costs to serve an average farm customer.

The monthly bill on our existing rate schedule for an average farm customer would be some \$10.05, or 47 cents less than the actual monthly cost of providing this service. Can you consider that as discrimination, I ask you? Now let's take a look at the urban customer. An urban customer on the basis of 0.6 kilowatt demand, and with an estimated consumption of 150 kilowatt hours per month (which against is about average) and you would find that your cost would work out something like this. Again interest at 4½ per cent of \$320, \$14.40; depreciation at 3 per cent on \$330, \$9.90; energy, 1,800 kilowatt hours at 1.3 cents - \$23.50; same charges of administration, \$10; your total cost per annum, \$57.80 and your cost per month, \$4.82. I would point out, Mr. Speaker, that the minimum monthly bill, or the monthly bill for this urban customer on the basis of our existing rate schedule would be \$4.87 or 5 cents more than the estimated cost of service.

On the total investment required to supply a farm of about \$1,250, the Corporation, as I have said, provides \$750, or roughly about 60 per cent. As the farm loads increase, the Power Corporation will, of course, find it necessary to make more and more investment in plant and transmission lines without a further cash contribution from the farmer. I think it can readily be seen, then, that, as time goes on the Corporation's percentage of the investment required to supply a farm customer will continue to rise. I should also point out, Mr. Speaker, that, in its accounting each year, the Corporation sets aside approximately 3 per cent of the total capital invested, as depreciation fund so that the lines may be replaced in 33 years without having to worry about raising further capital. I should also point out that the depreciation payment is made by the Corporation in respect to the contribution made by the farmer, as well as the contribution which the Corporation makes on his behalf.

If the Saskatchewan Power Corporation absorbed the whole cost of farm lines, the added capital would run to about \$500 per farm, which at the present interest rates costs about \$25 a year. In view of that, of course, it would cost about \$2 more on the monthly bill as far as the farm customer was concerned, or if you didn't do that, then of course you would be faced with something in the neighbourhood of \$1 million a year which would be required as a subsidy.

I think, Mr. Speaker, I have heard you, in speaking in this House, make the statement that in your experience (and certainly it is in mine) the farmer is usually willing to pay his share of the costs, and prefers to do so rather than to have to pay an extra \$2 per month on his bill from now until Lord knows when. I should mention, too that the Corporation does, where necessary, make loans up to 75 per cent of the farmer's costs. Those loans are repayable over a period of six years, with interest at 5 per cent, and the loans are available on an average, to 60 per cent of the farms in groups. I might mention here, too, that, as our rural program has developed, with the number of farms which we have already on the lines, we are running into more and more difficulties, because we are getting into areas where the farms are more scattered. It is becoming more difficult to form groups, and we are having to face the necessity of taking on every year greater and greater numbers of single connections. These are posing a considerable number of problems for us. It has meant that we are continually having to survey our credit arrangements which we have in effect, and it has meant, too, that we are continually having to survey the line mileage which is permitted for any one customer. Over the past while we have been gradually easing up on the credit arrangement, and we have gradually been extending the line mileage.

Mr. Speaker, by insisting that the farmer make some contribution to his farm line, I think we have been able to guard against overextending the system to farms that are either not serious users of power, or to farms that will connect up this year, and disconnect the other, thereby placing additional financial responsibility on the Corporation. I am satisfied that, without this safeguard, the cost of bona fide farmers would have been increased considerably.

There is something else that I think possibly I should touch on this afternoon, with regard to the Power Corporation policies. I feel that I should mention it briefly at least, because my friends opposite have been singing a little tune for quite some time, and it goes this way: "Well, you've been borrowing millions of dollars for the Power Corporation; why don't you borrow a few more million dollars, and give the farmers their power connections for nothing." That, Mr. Speaker, was the little bribe that my friends chased around the province with in their briefcases last year. To my mind it was about the nastiest attempt at mass political bribery that I have ever encountered in all my life, and it is no wonder that the people of this province turned them down cold, because I am satisfied they recognized

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it for exactly what it was – an attempt to buy the rural vote at \$500 apiece.

Now, my friends say, “Well, if you can borrow so much money you should be able to borrow more.”

**Mr. McDonald:** — You must be borrowing for gas installation.

**Mr. McCarthy:** — You won’t have to borrow as long as I’m around!

**Some Hon. Member:** — No, there’s lots of it over there.

**Hon. Mr. Brown:** — There’s the usual giggle, Mr. Speaker; they’re experts at it.

**Mr. McDonald:** — You’re the cause of it.

**Hon. Mr. Brown:** — I would just like to say a few words about this matter of borrowing money to provide free power connections, because to my mind, it just isn’t sound. I would like to say right here and now that, if there was any way that this could be done, I want to assure you and the people of this province that I would be one of the first to advocate it. As a matter of fact, I am satisfied that, if this was possible and feasible to do, this Government would have done it quite sometime ago. I think I mentioned in this House a year ago, that we over on this side of the House would be tickled to death to be able to provide free farm connections, if it were economically possible. I say again that we would have been happy to have been able, a year ago, to announce to the people of this province that we were going to provide free farm connections. It didn’t pay off very well as far as my friends opposite are concerned, but there is just a possibility, because the people of this province have a considerable amount of confidence in the word of this Government, that they may be accepted it, and if they had, quite likely we would have been able to gather in that 2,400-odd votes which were mentioned a little while ago in this House, which would have meant that the Official Opposition would have been wiped out.

**Mr. McCarthy:** — I thought this wasn’t going to be political.

**Mr. McDonald:** — I thought you were going to give that to Weyburn, perhaps.

**Hon. Mr. Brown:** — I apologize. I can resist . . .

**Mr. McDonald:** — Go ahead, Brown, you’re doing well.

**Hon. Mr. Brown:** — Well, let’s get back to this matter of borrowing money. There are two ways it might be tried, Mr. Speaker. There may be more, but I can only see two ways. Possibly the Provincial Treasurer may be able to enlighten me on this, if I have missed some. The first way,



of course, is to try and borrow the money on behalf of the Corporation – the manner in which it is done at the present time – the money being turned over to the Corporation, the Corporation to pay the interest charges, and be responsible for retiring the principal over a stated period of years.

The second way that you might try it, I suppose, would be to borrow the money on the general credit of the province, and just hand it over to the Corporation with no strings attached, and say to us, “Here you are! Go ahead and subsidize rural electrification.” Those, I believe, are the only two ways that might be tried to borrow the amount of money which it requires.

Well, let’s take a quick look at the first proposal. I think we should particularly take a look at the suggestion that we should borrow some \$20 million to pay back to farmers; those who are already connected to the Corporation’s lines and who have already made their contribution towards the construction costs.

I would like to ask my friends opposite, Mr. Speaker, if they really believe there is any financial institution on the North American continent that would be prepared to provide \$20 million for this Government, or any other Government, or any political party, to permit them to play Santa Claus. I am going to suggest that if the Provincial Treasurer of this province went down with a proposition of that kind, that the reputation which he has built up over the years of being one of the most astute Provincial Treasurers in the Dominion of Canada, would be wrecked and wrecked immediately.

Just figure over the last few years, the Provincial Treasurer of this province has been able to go to the money market, and to borrow huge sums for the use of the Power Corporation. He has been able to borrow the money because he has been able to demonstrate that the Corporation has a sound financial position, and is being operated efficiently, so that sufficient earnings can be expected each year to pay the interest on the borrowings, and to put aside some moneys for the retirement of the principal. If he had borrowed, say, \$20 million last year for the Corporation, and the Corporation had paid that out to the farmers, the financial position of the Saskatchewan Power Corporation would have been weakened so badly, it would certainly have been in jeopardy. It would have meant that, in order to obtain sufficient earnings to pay the additional million or so dollars per year interest charges, and to put aside something to retire part of the principal, our power rates would have had to be increased substantially. That, I think, could be readily understood, when you consider the very narrow margin of profit on which the Corporation operates.

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I am going to suggest that, with the balance sheet so badly out of line because of the \$20 million increase in liabilities, without a corresponding increase in the assets, the Provincial Treasurer would have had little chance of borrowing the \$39 ½ million required by the Corporation this year to carry on its program. And for the information of my hon. friends from Nipawin (Mr. Nicholson), I would point out that, when you are referring to the \$50 million which the Provincial Treasurer has mentioned he intends to borrow this year, \$39 ½ million of that is for the Corporation and the remainder of it generally speaking, is to be used by the Saskatchewan Government Telephones. Both organizations, I think, can be considered as commercial organizations and any capital which is put in can be considered self-liquidating.

Now, about this matter of trying to borrow money on the general credit of the province. Well, it is rather amazing, Mr. Speaker. We have been hearing a lot about the provincial debt the last little while. We have been hearing a lot about the amount of money it takes to pay interest on the provincial debt. As a matter of fact, we are being accused of trying to 'borrow the province out of debt!' That being the case, you would think that the Opposition would be somewhat more consistent. You would think, then, that they would be objecting strenuously to any suggestion of further debt to the province; but no, not in this particular case. I can imagine, Mr. Speaker, the howl that would come up from the other side of the House, however, if we turned around and told them we were going to borrow \$20 million and pay it back to the farmers of this province in compensation for their contribution to their power system.

What are the chances of borrowing this \$20 million? I am going to suggest again, Mr. Speaker, that the chances are practically nil. As a matter of fact, I'll say they are nil. I have tried to point out, the financial interests to whom we have to go to borrow money are not interested in providing funds for any Government to play Santa Claus. They are interested only in loaning money for sound purposes. I suggest, too, Mr. Speaker, that the credit of this province, while certainly excellent – it certainly is excellent if you compare it with what it was at the time this Government took office in 1944; but excellent as the credit of this province is, it certainly isn't unlimited. The borrowing power of the province has been strained to the limits within the last few years, to find the moneys which have been required to carry on the expansion of our power and gas systems, and our telephone system, and a few other projects. I am satisfied that further borrowings are completely out of the question.

I know that, when the Provincial Treasurer started to survey the money markets earlier this year, he was advised by the financial interests that, in their opinion, about all the province of Saskatchewan could expect to borrow this year would be somewhere in the neighbourhood of \$25 million or \$30 million. They said, "You can't, we don't think, go to the markets and raise more than that." However, our requirements have been stated

by the Provincial Treasurer in his budget speech as some \$50 million, and I think it is safe to say that the Provincial Treasurer will possibly be able to borrow that amount. But, Mr. Speaker, when the financial interests in this country tell you that they think the maximum amount this province can borrow is \$30 million, you may be able to borrow \$50 million, but I am darn certain you cannot go out and borrow \$70 million, particularly if the last \$20 is going to be handed back as a gift, with nothing to show for it!

I know right here, Mr. Speaker, if I wait a moment my friends opposite will tell me that they cannot understand why we can't do it here in Saskatchewan, they're doing all these things in Manitoba; but I would like to spend about an hour this afternoon . . .

**Mr. Cameron:** — Too long.

**Hon. Mr. Brown:** — . . . discussing Manitoba and their power system, and I would like to take some time and make some comparisons with the province of Saskatchewan. But I am going to give the members opposite the benefit of the doubt. I am going to assume that they really know that it is not fair to try and compare Saskatchewan with Manitoba insofar as power development is concerned, and I am going to suggest that they just keep on saying it because they think maybe it gets under our skin. So I'm not going to waste any time trying to make comparisons with Manitoba.

**Mr. Cameron:** — Oh, come on.

**Hon. Mr. Brown:** — Oh, you want me to? Okay. Well, now, that's different – how much time have we got to fool around here? This is more than I can stand. Mr. Speaker, I recall it was a year ago when you spoke in this Chamber, and you were then Minister in charge of the Power Corporation. You mentioned the fact that you did not particularly like to compare Manitoba with Saskatchewan for reasons which my hon. friends opposite would not understand. Well, I feel rather the same way about it, Mr. Speaker, because frankly I have no great quarrel with the Manitoba Power Commission. I am quite prepared to say they are doing an excellent job in the province of Manitoba. I would also like to say that we are very happy indeed that very recently we had a request from the Manitoba Power Commission to arrange a meeting of the officials of the Corporation – of the Saskatchewan Power Corporation and the Manitoba Power Commission – to discuss the possibility and desirability of integrating the two systems along the Manitoba-Saskatchewan boundary, and we are very happy to agree to that meeting. As a matter of fact, the first meeting was held in Winnipeg yesterday, and I am hopeful that something will develop and we will be able, in the not too distant future, to tie our systems together to give mutual protection, so that we can look after any problem areas that they may run into in one part of their province, and they may do the same for us in any difficulties which we encounter. I might also say, in case anyone is thinking we are overlooking the province of Alberta,

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our General Manager has already carried on some preliminary discussions with the people in Alberta, and we are hopeful again that we may be able to work out some arrangement whereby we can tie in with Alberta also, and it will give us quite a nice system in the three prairie provinces.

Now, as I said, Mr. Speaker, I have no particular desire to quarrel with Manitoba; I have no particular desire to make comparisons, and I think, as I have suggested, and as my hon. friends opposite know, as I know my friends on this side of the House know, there is really no comparison between the two provinces. There is certainly no comparison insofar as the territory to be served is concerned. In Manitoba, of course, you have an area which is only somewhat less than one-third of the size of the area which we have to serve here in Saskatchewan. Besides that you have it all tucked down into one nice little corner of the province, where the farm density is much greater than it is in Saskatchewan, where the miles of line that serves the farms is not nearly as many as they are in this province. In Manitoba, as a matter of fact, I think the greatest mileage per farm that they ever had to contend with was about three-quarters of a mile. In Saskatchewan it has been one mile and over, and gradually extended. At the peak of their program in Manitoba, they had about 3,750 miles of line to build. In Saskatchewan, of course, with our 7,500-and-up farms to do per year, we have to contend with the building of some 7,500 to 8,000 miles of line, all of which, of course, adds greatly to the cost of farm electrification.

We, of course, due to the fact that we have had to extend our power grid from the Estevan area clean up the eastern side of the province and across the north, and when we tried to take power to all corners of the province, have had to build many hundreds of miles more of high tension transmission lines, and that, of course, is an awful heavy financial responsibility.

I would like to point out that in Manitoba in the early stages, they were rather cautious, and when organizing their farm power program they refused to take power to any farm which required more than five poles. We have never had any stipulation of that kind here in the province. That requirement, of course, and that stipulation that you would not take power to a farm requiring any more than five poles, simply meant that you were able to get your concentrated market built up as quickly as you could; it kept your building costs to a minimum, while building up your consumer market as rapidly as possible.

I might point out, too that because of that stipulation it meant that many people in the province of Manitoba had to wait for quite some time before they obtained the benefits of power. As I have said, we never had that kind of restriction here in Saskatchewan. I think that everyone knows, too, that in Manitoba their power supply has come mainly from hydro facilities on the Winnipeg River. Our power resources here in Saskatchewan, of course, are steam generating units. They are must more costly to build and more costly to operate.

I would like to point out too that the Manitoba Power Commission has a source of funds which is not available to the Saskatchewan Power Corporation. I am speaking now of the rental which they receive for the hydro sites which they lease out to the city of Winnipeg. That revenue in 1955 amounted to some \$750,000, and it is interesting to note that, in that particular year when they received \$750,000 in revenue from the rental of hydro sites, their net earnings amounted to only \$664,000. In other words, if they hadn't obtained that revenue, they would have been operating at a loss.

**Mr. Coderre (Gravelbourg):** — Service at cost!

**Hon. Mr. Brown:** — Another little item which they have in Manitoba, all of which adds up. I am not saying these things to be nasty; I am simply pointing these things out, because my friends opposite asked me to do so. The Manitoba Power Commission has another source of revenue which is also not available here in Saskatchewan. I am referring now to the revenue derived from the sale of electrical appliances. In Manitoba, a farmer pays his deposit of \$65 and that is not returned to him until he installs a certain number of major and minor appliances. Well, that's sort of a double-barrel proposition, Mr. Speaker, because it does two things. First, it provides a nice, healthy slice of revenue from the sale of the appliances, and you can imagine the amount they make when you consider the quantity which they buy and retail. You not only make your revenue or your profit on the sale of the appliances, but, of course, because you insist that they buy all these appliances, you immediately build up a consumer market which is profitable, and it is much more profitable than it is here in Saskatchewan where, as I pointed out a short time ago, actually on the average farm service, we lose some forty-odd cents.

Of course, in Saskatchewan, the Power Corporation do not sell appliances in competition with the local business man and the co-operatives.

Now, you could go on and on and on. I could spend the rest of the afternoon . . .

**Mr. Coderre:** — They don't have to buy from the Government.

**Hon. Mr. Brown:** — . . . making comparisons and pointing out the differences between Manitoba and Saskatchewan.

**Mr. Danielson:** — At least that's better than the shoe factory.

**Hon. Mr. Brown:** — But I would like to point out one or two more things before I leave the province of Manitoba.

**Mr. Foley (Turtleford):** — The fact remains, though that they still get the power at \$65.

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**Hon. Mr. Brown:** — I'm not arguing with you at all on that. I might point out that all is not perfect in Manitoba — not by a long shot. As a matter of fact they have made some mistakes in Manitoba which we in Saskatchewan at the present time are profiting from. For example, in Manitoba they are finding now that providing farm connections without construction charges is not a sound policy. Why? Because in Manitoba, simply because there was no construction charge, hundreds of farms in that province were connected to the power system, farms where no one actually lived on the farms, or farms where the farmer merely went out for two or three weeks in the spring and a couple of weeks in the fall. Why shouldn't they get a power connection? It didn't cost them anything. They might as well have a light burning out there when they are out there for a week or two putting in their crop, and a week or two in the fall. And what is happening now is that the Manitoba Power Commission are having to salvage hundreds and hundreds of farm installations, which they put in without cost, and from which they derive little, if any, revenue. I am informed, Mr. Speaker, that in Manitoba today there are actually more farms being disconnected than there are connected. With such a situation here in Saskatchewan, it is obvious that the steady users of power would be called upon to pay the shot to bring power to thousands of farms where only a few dollars' worth of power would be used each year, and of course, eventually additional costs of salvaging the installation would have to be borne.

I would point out that that is not something that we should take lightly, because there are in this province — at least the figure that I had some time ago — some 23,000 unoccupied farms here in Saskatchewan, and if we were on a policy whereby we did not make a construction charge, I don't think there is any doubt but that the people who are farming those 23,000 farms would be making application to the Corporation for a free farm connection.

And of course they are not having everything too rosy in Manitoba with regard to their power. I think we pointed out a year ago that they were running into difficulty because they had not foreseen any increasing demand for power, and it looked at that time as if they might be faced with at least a partial dim-out. It was talked then that they would have to go into providing steam generating plants in order to keep up an adequate supply of power, and they admitted quite frankly that, if that was the case, it was almost a certainty that rates in Manitoba would have to be increased. I am happy to be able to say that the Saskatchewan Power Corporation makes their plans far enough in advance so that we don't have to worry about a power shortage here in Saskatchewan, and I would also point out that, rather than having to consider the possibility of rate increases over the last few years we have been able to institute five successive rate reductions.

I would just like to say a word or two on power rates, Mr. Speaker, because that is another matter which my friends across the way seem to like to talk about. They seem to want to try to convince the people

of this province that our power rates are too high. Particularly, too, they want to try to convince the people in the rural areas that we are deliberately keeping rural rates up, simply for the benefit of the customers in the urban areas.

**Mr. Kramer (The Battlefords):** — More sabotage.

**Hon. Mr. Brown:** — Now, what are the real facts as far as the rates are concerned? I mentioned earlier that they made some rather contradictory statements, charging that our rates were keeping industry out of Saskatchewan; another one getting up and saying we should increase our urban rates in order that we can reduce them to the farm customer. I have already mentioned that the Power Corporation does not serve Regina, Moose Jaw or Weyburn. Besides that, Saskatoon and Swift Current buy their power in bulk, and they, of course, set their own retail rates. Here is an interesting point that maybe my hon. friends are not aware of; maybe it will give them a better understanding as to why our rates must be as they are. It is interesting to note that the Corporation controls the retail rate for only about 42 per cent of the energy distributed here in the province. To hear my hon. friends opposite talk, you would think we had absolute control of 100 per cent of the energy distributed in this province. Actually we only distribute about 42 per cent of the energy. Private utilities, and those operated by municipalities in the terms of energy distributed, predominate, although the Saskatchewan Power Corporation, with its big proportion of rural and relatively uneconomic loads, leads in customers served with 64 per cent of the total. In other words, 58 per cent of the energy is distributed by utilities other than the Saskatchewan Power Corporation, to 36 per cent of the customers in the profitable concentrated urban areas. My friends, if you have any quarrel with power rates in Saskatchewan, you are not talking to the right people when you start to talk to the Saskatchewan Power Corporation. Rates for the 58 per cent of the energy distributed are beyond the control of the Corporation.

I would like to suggest that, while the profitable concentrated areas remain out of an integrated province-wide power system, the full benefits of a power-at-cost program cannot be realized. The Saskatchewan Power Corporation cannot reduce rates to the point it would be possible if we served all markets. Full advantage cannot be taken of generating facilities operating at capacity, with the resultant lowering of generating costs, and, of course, thereby making rate reductions possible.

What about farm rates? It has been said that they are too high. Well, Mr. Speaker, I think I made it clear a little while ago that taking an average farm customer of the Saskatchewan Power Corporation, when you figure the cost of service to that average farm customer, and when you consider the present rate schedule on which we are operating, we actually lose money on our farm distribution. I would like somebody to tell me if they can, particularly these people who insisted we should reduce rural rates,

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how in the deuce we can reduce rates without losing even more money than we are at the present time on our farm electrification program!

You would think, Mr. Speaker, that from the criticism which is being offered with regard to rates, our rate structure as presently constituted is providing enormous profits, and that rate reductions could be made just like that — all we have to do is to take out the pencil. Well, I am beginning to wonder whether or not my hon. friends opposite ever take the time or the trouble to study the financial reports of the Corporation which are tabled in this House every year. I would like to suggest, that, if they did, they could come to only one conclusion and that is that, under present conditions, the Corporation is operating on as nearly a cost basis as we can possibly get. I have just reviewed the preliminary figures for the 1956 statement of the Corporation which we will be tabling in this House in the very near future. Those figures reveal that, last year, the earnings indicated a return on investment of approximately 1.31 per cent. The net income per kilowatt hour sold amounted to just over one-quarter of a cent; approximately .27 cents per kilowatt hour. I am going to suggest that that is just about as close to cost as you can get. I think you will agree with me that not much of a reduction is possible, unless we are expected to operate the Corporation at a loss.

I would like to suggest, Mr. Speaker, that, when you remember, not so many years ago, under a Liberal Government rates charged for electricity in this province to the very few persons who were receiving service, ran from 15 cents to 20 cents per kilowatt hour; when you remember that rates have been reduced some five times in the last few years; when you remember that the Corporation is operating as close to cost as possible, I think you will agree with me, Mr. Speaker, that we certainly do not need the Opposition to remind us that we should keep our power rates at a minimum. Rates have been, and are as low as they can be at the present time, consistent with sound operation of the Corporation. Our rates are continuously under review by trained rate statisticians, and I can assure members of this House and the people of this province that, as the economy of the Corporation continues to improve, and further rate reductions are possible, those reductions will be made, because I want to reiterate that it is the policy of this Government to see that the people of this province are provided with power at cost, and that is something toward which we continue to work.

Now, Mr. Speaker, I had hoped to spend some time this afternoon speaking about the progress which has been made in our power system during 1956; to mention something with regard to the progress made in the gas distribution, and I had wanted, too, to spend just a wee time talking about some of the plans which we have on hand for 1957; but I believe there are others who want to participate in this debate this afternoon. I have already taken more time than I had intended to, so I am going to close simply by saying that, in view of the fact that the very excellent budget which the Provincial Treasurer has presented to this House, provides some \$39½ million for the Power Corporation to continue the job of taking power to the people of this province. I will support the motion.



**Mr. J.R. Barrie (Pelly):** — Mr. Speaker, I have just listened with a great deal of interest to my friend the Provincial Secretary (Hon. Mr. Brown), and while I have limited time this afternoon, all I can say in respect to the resume that he gave us is that I am afraid his presentation won't meet with too much favour insofar as the farm people of this province are concerned.

I listened with particular interest to the fact that there is going to be some sort of arrangement possibly made between the Manitoba Government Power Commission and the Saskatchewan Government Power Commission. I am sure that if we receive anything like the service in my constituency that lies along the Manitoba-Saskatchewan boundary, that they do just across that boundary in Manitoba, then it will be of great benefit to the people in that part of the province, and I am sorry possibly it won't be able to be of benefit to people in the central part of the province. I don't know what the Provincial Secretary in charge of the Power Commission had references to, but we have for many years hoped in many cases along the Manitoba-Saskatchewan boundary to have been able to receive the service provided by the Manitoba Power Commission to some of the Saskatchewan farmers living closely along that line.

Today I wish to spend most of the time in discussing some of the items that I as an Opposition member feel it is my obligation and duty to do in connection with the Budget that was brought down last Wednesday, by the Provincial Treasurer (Hon. Mr. Fines) in this House, and the suggestions of allocations of public funds for the fiscal year, covered by that particular budget. Now, we are going to spend, according to the budget presented to this House, the largest amount of money ever covered in any budget in the province of Saskatchewan up until this time, and I think that not only the members on this side of the House, but the members on the Government side of the House, should take note of that fact and realize the seriousness of the business we have at hand at this particular time.

I mentioned in this House before and, advocated in fact, borrowing of certain money for certain things, and in the balance of my remarks this afternoon, I certainly hope that the criticism that I am going to offer will not be construed as my being opposed to the borrowing of money on the credit of this province for certain particular services that can be provided to the people of this province. Now, to hear the Provincial Secretary speak here just a few minutes ago in this Assembly, I didn't know the province of Saskatchewan was in such bad shape, as he made it out to be, in connection with the borrowing of money and so on and so forth, and the credit of this province. In fact, I don't agree with him. I will give the Provincial Treasurer of this province a little more credit than the Provincial Secretary did. I believe the affairs of this province and the credit of this province are not in the condition that he presented to the House here this afternoon, and I think possibly the Provincial Treasurer is a far more capable man to deal with those matters than the gentleman who just took his seat.

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Now, getting down to those pertinent points which I wish to discuss I want, with your permission, Mr. Speaker, to read a few lines from Page 21, of the Provincial Treasurer's speech in connection with education. He said:

“One of the most urgent problems facing us is the rising cost of education. It is a problem confronting local and provincial governments, . . . ”

Now, I am sure that everyone of us agree with that statement, and while there is a considerable increase proposed in the budget for education in the next fiscal year, I am afraid that it falls far short of what is necessary to relieve the terrific load that is carried by the property owners today in the province. I don't think that anything less than the province taking care of at least 50 per cent of the cost of education on an equalization basis will begin to place the property owners of this province in the position they should be in, insofar as taxation is concerned. No doubt, as the Provincial Treasurer said, this is one of the most serious problems that we have in the province of Saskatchewan today. And I just want to observe in passing, that I believe possibly other economies could have been affected and more money provided for education.

Then there is the matter of grid roads, and this system of a 50-50 contribution by the Provincial Government towards the building of grid roads in some cases is a very fine policy. But I want to contend again, that possibly the people who require the roads the most are the people who are not able to take advantage of this particular policy because these poorer municipalities – some of them with arrears of taxes to a very large and substantial amount, and have borrowed money in order to finance education costs and such like during this period when the tax arrears have been piling up – certainly are not in a position either from current taxation or from borrowing power that they may have, to provide sufficient money to carry on the other services required in the municipality, and at the same time provide money for any contribution of any amount in the connection with the building of grid system roads. The Minister of Municipal Affairs, speaking yesterday, advised the House that over 100 municipalities had already applied for assistance this year, and those applications covered 800 and some-odd miles of road. Well, it is very fine for this particular municipalities; it is a very good thing for those people in those municipalities; but my contention is that the policy of the grid road system, certainly in many areas of the province, doesn't fulfil what is required to give those people assistance who need it so badly, and I notice, or regret to have to note, that there is no increase provided for municipal bridges or for municipal equalization grants; they are the same as they were last year.

Then we come to the most important (in my opinion) industry in this province, agriculture, and while there is an increase, it is very, very limited. We have heard a great deal (and I agree with a lot that has been said in this House) that the conditions in parts of this province, or possibly

all over this province, of agriculture are not as good as they might be; or not as good as we would like to see them. That particular group of people, being in that condition, I think should receive the greatest amount of consideration when it comes to the spending of public money at a time like this in particular. The Hon. Minister of Agriculture (Hon. Mr. Nollet – I am sorry he is not in his seat) has said a great deal in this Legislature and outside it recently, about the farmers not receiving a larger share of the national income. He has made a great how-do-you-do about that on many, many occasions, and possibly he is right, I don't know; but I certainly think that he should have put forth a little more effort in seeing that he got a larger share of this provincial budget for agriculture and his department and for the farmers of this province.

Another item that I wish to bring attention to is the matter of social services; something that I spoke of before in this House. Those social services that I am chiefly concerned about, and want to bring to the attention of the Minister and the members of the Government on the other side of this House, are the Mothers' Allowances, Old-Age Assistance and Blind persons' allowances. I was very alarmed, Mr. Speaker, on perusing the Budget and the estimates, to find that in the coming year, it is proposed that \$175,270 less money be spent on these three particular social services than in the last year. It was cut down. So, insofar as these particular social services, Mothers' Allowances, Old-Age Assistance and Blind Persons' Allowances are concerned, they can't look for anything better this year, and possibly some of them may have it worse.

Then we come to Supplementary Allowances, and there has been a fair increase allowed for Supplementary Allowances of \$98,330 over last year. But when that is spread over the number of people receiving these allowances in the province, the individual increase will necessarily have to be very small. So I say that of the bulk of the four social services that I have mentioned that I am particularly concerned with, Mothers' Allowance, Old-Age Assistance, Blind Persons' Allowances and the Supplementary Allowances included, we find there is \$77,000 less provided for in this particular budget than there was in the last year. I am afraid that that slogan "Humanity First" isn't practiced too much by those people that use it as their party slogan.

Just in passing I would like to make mention of the treatment of mental hospitals and mental health services insofar as the Budget is concerned, and I want to commend the Government for the additional appropriations or consideration they have given these two particular services. From what has been said in this House and from Reports that I have read, and what was brought to the attention of the House by the junior member for Regina (Mrs. Cooper), that possibly something is going to be done, and will be done in the current year for these people in providing these institutions. And I would just like to make mention of one thing at this particular time in connection with mental hospitals, or it could be applied to mental hospitals. Just across the lake here you have a very fine building in the city of Regina, the Museum, and

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it is something I suppose that is a very desirable thing to have in the province. It has cost a very substantial amount of money both for the building and the grounds and so on. But I think if the 'Humanity First' slogan was practised by those people who preach it, that possibly the people in the mental hospitals, those unfortunate people who are suffering from that particularly malady would have been given the first consideration before erecting the building such as we see there, at the tremendous cost that it has been, and which is no doubt an advantage. These things are very desirable, but I think that possible that same amount of money spent two years ago in additional accommodations for our mental patients would have been much more along the line of 'Humanity First'.

There is another item in the Budget that came to my attention, in fact struck me as being very unusual, that is the institution that we have and is known as the Boys' School. I find in the report of the Department of Social Welfare, tabled in this House not long ago, that there were an average of 14 boys in that institution in the last fiscal year, and the net cost per boy per day in that institution was \$13.36. Now, when you compare that with some of the other Government institutions in the province, it seems much too high, in fact two or three times too high, because on looking through the same report of the Department of Social Welfare, I find that in the Prince Albert gaol the net cost of maintaining a prisoner in that gaol was \$4.48; the cost of maintaining a prisoner in the Regina gaol was \$5.32, and the cost of for an institution with a few inmates (a few more than the Boys' School) the Prince Albert Women's Gaol which had an average of 21, the cost of maintaining one of the inmates in that gaol was \$6.36. Now, these are institutions where those people who are unfortunately confined to them have to be fed and clothed and given certain services, and have to have certain supervision, just the same as they would, I expect, in the Boys' School. If we even look at the Nursing Homes, and I imagine in connection with some of the Nursing Homes that the cost of maintaining an individual in a Nursing Home should be greater possibly, in some cases, than maintaining a boy in an institution. But, I find that in our Nursing Homes, in Wolseley for instance, the cost of maintaining a patient in the Wolseley Nursing Home is \$4.23 per patient per day; the Saskatoon Nursing Home is \$4.92 a day; the Melfort Nursing Home, \$4.63, and in the Regina Nursing Home a little higher, \$5.97 a day. Now, Mr. Speaker, there may be an explanation, but insofar as the figures supplied by the Government in their Reports are concerned, it seems to me there is something radically wrong with an amount such as I have stated. I find also in looking through the Estimates, it is proposed next year to spend another \$100,000 on this Boys' School for capital expenditure, and in the appropriation for the operation of the School there is a slight increase, too.

These are some of the things that possibly I think the members of the Government, the back-benchers, and the members of the Opposition could draw to the attention of the Government. I think that is part of the purpose that we are here for, and if we are going to do our job as our constituents expect us to, then this scrutiny and analysis is, I think, performing in the manner we are expected to perform. I see some of my hon.

friends shaking their heads. I think the public will be interested in some of the items that have been brought up here.

I hope these particular statements, figures are accurate and correct. I assume they are. I hope I won't find happen to me something like happened to the hon. member for Maple Creek (Mr. Cameron) the other day, when he took the statement of a particular Return that was made in this House, or a Report that was made in this House, and I went home and my arithmetic possibly isn't very good because I made quite an error in my first attempt at speaking in this House; but I looked through this same report and did the calculations and I found that in connection with these eggs that the tables and figures that were provided in the Report tabled by the Minister of Agriculture in the House, my calculation came out the same as the hon. member's from Maple Creek — 32 cents a dozen.

**Hon. Mr. Nollet (Minister of Agriculture):** — You just took the wrong figure.

**Mr. Barrie:** — When this thing took place in the House, the hon. Minister of Agriculture said he didn't believe it, and then the hon. member for Maple Creek said he didn't believe it either. I hope that won't occur to me this afternoon, because I am dealing entirely with figures that I have picked up in the perusal of these particular reports.

Now, strangely enough after the Provincial Secretary, I will probably be criticized considerably because I am going to talk about debts for a little while. We have heard a lot about the public debt of this province, about the reduction of the public debt. Well, I don't claim to be very bright, Mr. Speaker, but there are certain figures that substantiate what I am about to say, contained in this book, which I think everyone is familiar with. I find that the direct and indirect debt of this province from 1944 has increased. On April 30, 1944, it was approximately \$194¼ million. On December 31, 1955 according to a table on Page 14, the debt was \$197½ million; and on December 31, 1956 the net figures of the direct and indirect debt, after deducting the sinking fund was \$222½ million. To get down to certain other figures of provincial debt, I noticed there is deducted loans and advances for revenue-producing enterprises and so on. Well, I have always found in my experience in life that a debt is a debt. You can call it by a different name, or you can change around the figures and the headings and so on, but it is a debt; it is a liability. I have had to pay a lot of them, too, I can assure you, in my time.

Just by way of caution in connection with these revenue-producing enterprises, I want to make mention at this time that I am saying the provincial debt is too high. Before I heard the hon. Provincial Secretary's speech this afternoon, I would have said that, for some services such as utilities and that kind of thing, I would advocate and support additional borrowing to provide those services, with the hope they would possibly in time pay enough to retire the amount which was borrowed. But there is these other revenue-producing enterprises — I imagine a lot of them that are referred to in that

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particular heading are the Crown Corporations, and while no one hopes to see these particular businesses that have been financed by the Government a failure, . . .

**Hon. Mr. Brockelbank (Minister of Mineral Resources):** — Ha, ha, ha! That's a story!

**Mr. Barrie:** — . . . we have two examples indicating very clearly that there is a certain risk attached, even in comparatively good times, with any business, and that applies to private business as well as public business. We find, for instance, that the Saskatchewan Guarantee and Fidelity Company, a company which has a very good record up until this particular time both under private and public ownership, for some reason or other (possibly no one is to blame), just certain circumstances they encountered in the last year, have a loss of over \$100,000. The Saskatchewan Wood Enterprises is a public company that has unfortunately had losses over several years, and another loss again last year. Now, I have been in private business long enough and I have had something to do with businesses that have had a loss, too. So, I say that, insofar as businesses are concerned, or enterprises of this kind, there is no guarantee, there is no assurance they will be self-liquidating. Just as I mentioned, possibly the Saskatchewan Guarantee and Fidelity Company will come back up next year. We hope it does, because if it doesn't, there is going to be something happen which will not be to the best interests of either the Government or the people of this province generally. I think my friend, the hon. Provincial Treasurer, realizes this only too well, because in his budget Speech, on Page 16 (at the top of the page), he knows what has to take place and I think is prepared to do it, because he says here:

“ . . . if a Corporation were consistently to lose money, the Government would ensure that the advances shown on the books were properly valued by appropriating as an expenditure sufficient money to make up the loss.”

He realizes if something of that nature happens, it has to be an expenditure provided for by this Legislature, provided by the people of the province of Saskatchewan in order to make up that loss.

Another quotation I would like to make with your permission, Mr. Speaker, from this same Budget speech, is on Page 19, and this is something I may say I heartily agree with and concur with the hon. Provincial Treasurer, when he said:

“ . . . I believe it is a prudent policy to reduce the public debt, particularly when the economy is buoyant. the people of Saskatchewan know from experience that it is good economic policy to improve the financial position when times are good, for it is always possible you may have to increase your debt if the economy declines.”

**Hon. Mr. Kuziak (Minister of Natural Resources):** — Isn't that sense?

**Mr. Barrie:** — In that I heartily agree and concur with the hon. Provincial Treasurer.

But, let us look for a moment or two at what has been proposed. The public debt, direct and indirect, as shown in the Budget, on December 31, 1956 was \$222,481,000, and on Page 13 of the Budget, you will find that on January 15 of this year, 1957, there was a loan made of \$15,750,000, and another one made on February 1, 1957 of \$2,325,000 making a total, according to the information in this particular book, of \$18,075,000 borrowed since January 1, 1957. Against that, on the same page the table just below indicates there was \$180,000 of the debts of the province redeemed on January 3 of this year; and on January 15 there was a further \$1,468,500 of debt redeemed or paid off, by the province, which leaves a net amount of borrowings over redemptions since the January 1 of \$16,426,500. Now, if you add that to the direct and indirect debt, with the sinking fund allowances deducted, you will find that, up to the present time, approximately, there is \$238,907,000 of debt. And, as has already been mentioned by the Provincial Secretary, in order to provide the funds that are necessary for the program outlined in this particular Budget, it will be necessary to borrow in addition to the revenue this year, another \$50 million. So if that money is borrowed (and I hope the Provincial Treasurer has no difficulty in raising that money), I have little doubts, after having heard the Provincial Secretary talk a few minutes ago, that it will end up at the end of the year, or by the end of the year, that the total debt of the province will be \$288,907,000. In the meantime, there will be repayments made, some of them provided for and others that probably haven't been provided for yet; but providing they are paid, then that amount of \$288 million, approximately \$289 million, will be reduced.

**Hon. Mr. Fines (Provincial Treasurer):** — May I ask where you got this \$288 million?

**Mr. Barrie:** — Well, I just explained that.

**Hon. Mr. Fines:** — Mr. Speaker, just to keep the records correct. I don't want to get into the debate, but the hon. gentleman is counting the \$15,750,000 which is a part of the \$50 million which will be required for the next fiscal year; this is money which has been borrowed in advance.

**Mr. Barrie:** — But it has been borrowed.

**Hon. Mr. Fines:** — Exactly, but . . .

**Mr. Barrie:** — Well, it's a debt then; it has been borrowed; it is a debt.

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**Hon. Mr. Fines:** — May I suggest to my hon. friend he would be more correct if he added the \$50 million to the \$222 million. I think that would service his purpose and he would be accurate then.

**Mr. Barrie:** — Well I don't know. According to the records, and it states very clearly here that on January 15 there was borrowed \$15¾ million, . . .

**Hon. Mr. Fines:** — That is a part of the \$50 million.

**Mr. Barrie:** — A part of the \$50 million?

**Hon. Mr. Fines:** — Right.

**Mr. Barrie:** — Well then, we will reduce it by that amount.

**Hon. Mr. Fines:** — That's better.

**Mr. Barrie:** — So the amount at the end of the year will be approximately \$289 million, less this \$15 million, less whatever is paid in the meantime. But that is a far cry from what has been told many people in the country that our provincial debt is \$63 million. No details are gone into to tell the people that that is just the direct debt and there is so much more of an indirect debt. The impression is left, and I believe it is intentionally left, with these people that the debt of our province has been reduced down to the point where there is \$63 million of debt.

**Hon. Mr. Willis:** — So it has.

**Mr. Cameron (Maple Creek):** — He says so it has.

**Hon. Mr. Fines:** — There is no question about it.

**Hon. Mr. Willis:** — Look at Page 14 of the Budget Speech.

**Mr. Barrie:** — Yes, Page 14. But all these figures that I have given are taken from the Budget Speech, and I note that the hon. Minister of Public Works states we only have \$63 million of debt in this province. But these are figures that I hope are correct, not like the Minister of Agriculture's figures. But I say the impression is given that the debt of the province of Saskatchewan is around \$63 million. Well, I think that is an injustice to the people of the province of Saskatchewan, and a deliberate or intentional misrepresentation of that kind . . .

**Hon. Mr. Fines:** — Mr. Speaker, I would ask the hon. gentleman to withdraw that; it is unparliamentary.

**Mr. Speaker:** — The hon. gentleman must withdraw that statement.



**Mr. Barrie:** —Well, I will withdraw the statement; but at the same time, Mr. Speaker, that particular impression is given to the people of the province of Saskatchewan, and I think it is up to the Provincial Treasurer and other members of the Government, and up to the members of the Opposition as well when they have the opportunity, to go out and acquaint the people of the province of Saskatchewan that we have this debt. I don't think it is an alarming debt at all. I am not criticizing it for size. I believe with the resources of this province and the people we have in this province that kind of debt can be paid and will be paid. But the thing is, the people in my opinion should know exactly where we stand. There are many economies that possibly could be exercised, and some of these may be small, and some of them are large economies. It startles me, the cost of administration in all branches of Government today, compared with what it was a few years ago. The cost of administration in all Departments of Government has grown by leaps and bounds, and I am quite certain that they will find costs of administration in business and in 'big business', while there have been increases, have not increased at the rate that the public cost of administration has increased.

Furthermore, there has been a great deal of waste of money. I don't know who is responsible for this. But when I see a monopoly such as Telephones or Power, spending money on radio, television and advertisements in the press, when I receive my power bill there is a very nice circular with a few jokes and a few recipes and so on, along with it, I just wonder if the people of the province of Saskatchewan are getting value for that kind of money, or if we have that kind of money to spend at this particular time.

The Provincial Treasurer outlined, as I have already read to the House, a very fine statement about prudence and so on and so forth, at a particular time, and I would just like to remind the Provincial Treasurer and the other members of the Government that such a thing can happen as a recession; such a thing can happen as failure in some of these Crown Corporations and public enterprises. When that time comes, then if we practised economy at the present time, we would be in a far better position to stand anything we may be confronted with, and we will be very well off indeed if those kinds of things don't occur, or don't happen to us. This is the time that possibly certain economies can be considered, and put into effect, and certain expenditures that are not absolutely necessary can be reconsidered, as far as using the credit of our province. As far as using public funds to provide the necessities, such as social services, and certain services of utilities for the people, these are not luxuries today, but necessities, then, insofar as I am concerned I am all for it.

Now, Mr. Speaker, I would like to say that insofar as those various points I have reviewed – the lack of consideration for education, agriculture and the social services, means that I will not support the motion.

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**Mr. L.P. Coderre (Gravelbourg):** — Mr. Speaker, in the very short time I am allowed, I am going to deal very briefly with why we have lost 10 years of oil revenues in this province. I know that, when I finish, I will not leave the least bit of doubt and I will present, I believe, conclusive evidence that the loss of revenue in these last 10 years has been primarily and only due to the Government.

**Some Hon. Member:** — Good for you.

**Mr. Coderre:** — However, before I del with it I have a few remarks I would like to make. I note that the hon. Premier is away; he is probably at the convention in Saskatoon, I presume; but at one time, this afternoon, there were only 13 members of the Government out of 36, in the House. I wonder if it is any indication of what would happen if some unforeseen circumstances took the Leader away! It seems to give me the impression that it is a gradual disintegration of the party that is taking place.

The Provincial Secretary, (Hon. Mr. Brown) mentioned a while ago, sir, that we have come here to make a bunch of political speeches, and I don't believe we have been doing that, Mr. Speaker. The job of the Opposition is to criticize the Government in any way it can; but I am sure that nobody, anywhere, likes a critic unless he can bring something else to replace, or to do a better job, and I believe that all the members of the Opposition so far have criticized the Government as best they could, and have brought out another plan to replace the plan that appears, I am quite certain, obsolete.

**Mr. Gibson (Morse):** — The people didn't think that.

**Mr. Coderre:** — The hon. Minister of Treasury . . .

**Hon. Mr. Fines:** — Wrong . . .

**Mr. Gardiner:** — There are so many of them you can't keep track.

**Mr. Coderre:** — That's true; there are probably so many that we can't remember them now; but the hon. Minister of the Treasury went to great lengths, the other day, to tell us about the plight of the farmers — you know the 'price squeeze' and the terrible conditions, and money was required, etc. Then, shortly after that in his speech, he seemed to make a little about-face. Is it that the Government has two faces, Mr. Speaker, — the one they use when they speak out on the hustings and the other face that they use when they go to speak to industrial development meetings or to financiers of people like that? I may be out of order in saying that, Mr. Speaker, but I figured there was one thing sadly lacking in the estimates, the other day, and I figured the Government should probably put in a little clause to get a couple of razors to shave both those faces — you know the faces that are used on the hustings and the other faces. However, it matters

not. It appears, Mr. Speaker, that the C.C.F. party as a whole are using two different sets of figures, and I hope that, before I finish, I will show where and how they are using these two figures.

I noticed that the hon. Minister of Finance, on Page 4 of the Budget Address mentioned that the farm costs have risen so greatly – I think he was trying to further the argument of the terrible plight of the farmers. And then he goes in just the opposite direction, and states that the revenue of the farmer is the greatest in the history of the province. I believe there is a case there – they don't seem to know what to say, or which way to speak about it. They say it is good on the one hand, and it is bad on the other. I would like to quote a little something here, Mr. Speaker, and I think it is relevant to what I have to say. I don't like to be called a historian, going back into the ancient history as the Government members have been doing – quoting back to 1944, 1941 and what have you; but in this case I have to bring forward a quote of Mr. Douglas. Mr. Douglas, speaking on U.S. capital as quoted in 'The Leader-Post' of November 15, 1948:

“Mr. Douglas had just left for New York, Monday, by plane to contact United States industrialists and heads of the mining companies who might be interested in investing capital in Saskatchewan industrial development.

“He said he was particularly interested in having outside capital brought in for the development of oil, potash and other minerals. Discussions with the U.S. industrialists would also cover the possibility of development of Saskatchewan's pulpwood and uranium deposits.”

And then, Mr. Speaker, after making statements like that (well, of course, he was going to see the financiers – that is one side of the story we see), they still keep on hollering and screeching all over the hustings that the situation is different. Then we notice that the hon. Minister of Finance said: “the growth . . .” — just sort of shifting from one side to the other; as I say, it is just casual rambling.

I notice that the hon. Minister of Finance said in his rambling (that is what I meant) quotes this in his speech:

“The gross earnings of the Crown Corporations before interest costs are lower than the previous record years.”

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Now mind you, Mr. Speaker, he said at this point that the Crown Corporations' earnings are lower. Still, on the one hand, the C.C.F. members out on the hustings, and even in the House, claim that the private enterprise – these great big 'monstrous' capitalists, you know – the private monopolies make tremendous profits, putting a price squeeze on the farmers. Well, if that is so, Mr. Speaker, assuming that they are right in what they say, if that is so, and the Crown Corporations have not made as much as before, then it appears to me that the Government is lacking in its means or in handling the affairs of the country. It appears to me that the bungling inefficiency of the Government insofar as the Crown Corporations are concerned is something that needs to be looked into very much.

In many of the Crown Corporations there have been persistent losses. Of course, the hon. Provincial Secretary has been mentioning something about power, etc. I think if we would do away with some of those persistent losers, Mr. Speaker, I am sure that we could go ahead and electrify many of the farms of this province.

You know last Saturday night I had one of the first opportunities since I have been in this House; I sat down to watch TV and I was very sorry I did afterwards, but still it gave me a little idea. I saw the hon. Federal member for Assiniboia on TV and he said:

“All that the C.C.F. members are concerned about is to see that the farmers get a fair share of the national income.”

Well, Mr. Speaker, I hate to admit this, but I guess I will have to take a page out of the gentleman's book. I am going to put it a little differently. All that I care to see, Mr. Speaker, is that the farmers get a fair share of the provincial income.

**Hon. Mr. Nollet:** — I wish they did.

**Mr. Coderre:** — Here is the situation as I see it, Mr. Speaker. According to the Provincial Treasurer, the gross returns or earnings of the province derived from the farmers are approximately 58 per cent – he didn't say it that way, but he said the industries are 42 per cent, so I presume that leaves 58 per cent. Now it is very good that agriculture is actually producing about 58 per cent of the wealth of this province. I think that is pretty good. But then we go on, I notice in the Budget, there is only 3½ per cent of it going to agriculture; this wonderful bit of agriculture that we are so proud of and we believe so much in, which produces approximately 58 per cent; we note that only 3½ per cent of the Budget is allocated for agriculture. I would like to ask where the Minister of Agriculture when the hon. Provincial Treasurer was cutting this great big pie to pieces?

**Mr. Cameron:** — He was hatching his eggs!

**Hon. Mr. Nollet:** — We were looking at Ottawa.

**Mr. Coderre:** — It seems to me, sir, that he was hiding somewhere; he was either under his desk or some place, or probably better still, I think he was trying to find some of those bits of shrub that he brought into the House yesterday afternoon – quack-grass and what have you. He was hiding in the bush. I fail to see where the hon. Minister of Agriculture was doing his job when the Cabinet was meeting and trying to ‘divy’ out the money of the province. Fifty-eight per cent of the revenue of this province is from agriculture, yet only 3½ per cent goes for agriculture.

Now, I don’t know, but there is another peculiar situation that takes place here, Mr. Speaker, and I think I should bring it out. It is the question of these eggs for 32 cents. I won’t go into the preliminary work about it but anyhow the hon. Minister of Agriculture yesterday spent probably half his time trying to explain that he was right and then he was trying to explain that he was wrong — he was right, he was wrong; he just didn’t seem to know where he was. He reminded me of a little girl or a young lady who goes out in the field and picks up a daisy, and you know, “he loves me, he loves me not”, and whatever the last petal says that is going to be it insofar as agriculture is concerned.

**Mr. McDonald:** — That’s what he did yesterday.

**Hon. Mr. Nollet:** — You tell him . . .

**Mr. Coderre:** — Mr. Speaker, it has been announced in this Legislature that the Education and Hospitalization tax on farm fuels is going to be repealed, and I am glad to see that the suggestion of the Liberal party or the Liberal Opposition (we have been mentioning that for a number of years) has finally received the attention of the Government and that they are going to do something about it. So far as I am concerned I think that the hon. Minister of Agriculture has done his job, to a certain degree, because he has brought sufficient pressure to bear upon the hon. Minister of Finance to see that the tax is repealed. Of course, . . .

**Hon. Mr. Brockelbank:** — The Liberals put it on and we had to take it off.

**Mr. Coderre:** — . . . it will only amount to about \$10 apiece, sir; but then they go on – and that is again why I have to ask, where was the hon. Minister when they turned around and put the penny on the gasoline tax?

**Hon. Mr. Nollet:** — I was out in the woods.

**Mr. Coderre:** — I have been asking some of my farmer friends what they thought of it . . .

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**Hon. Mr. Fines:** — Picking daisies!

**Mr. Coderre:** — . . . and I don't know, I would like to use some of the language that I heard, but I don't think it would be conducive to the dignity of this House. But they take \$10 off, or maybe \$5 or \$6, and then they tack on \$15. I think it is just a question of robbing Peter to pay Paul, as far as I can see.

It has been said in this House, Mr. Speaker, that production of oil in 1944 was in excess of 11¼ million barrels of oil. This is where I am coming around to where we have lost this 10 years, and I would suggest that the hon. members of the Government, particularly those boys who don't know the facts behind the whole story, listen very carefully and realize just what has happened.

**Hon. Mr. Douglas (Rosetown):** — We know.

**Mr. Coderre:** — Now, Mr. Speaker, when we say 11¼ million (and they say it very slowly) barrels of oil, that appears to be a very large and impressive figure. To the average layman who is not fully conversant with it, and who probably gets only 15 or 20 barrels of fuel delivered in his yard, that seems to be a very impressive figure. And then it was again quoted that, in 1956, the production had increased to the fabulous amount of 20¾ million barrels – an increase of 80 per cent. Now, I think these figures may be true but they sound ridiculous to the person who knows. Do you know, Mr. Speaker, that if we produced one barrel of oil and we increased that to 10 that would make an increase of 1,000 per cent? That probably has been mentioned in the House before, but I just thought I would bring it out. then we go on to say that, according to the Dominion Bureau of Statistics, in 1955 the province of Alberta produced 113 million barrels of oil – in that same year that we were producing 11¼ million barrels. That is ten times the production that we are producing here. In bringing that out, Mr. Speaker, I had to bring up Alberta; but I don't believe that, when we are discussing things in this province we should discuss anything taking place outside the boundaries of this province; but I had to bring it up to make this point.

**Hon. Mr. Brockelbank:** — Why don't you compare the production back in 1944 between Alberta and Saskatchewan?

**Mr. Coderre:** — If the hon. member, me will give me time I will tell him what has happened, and as I said, I will prove without a doubt that we have lost 10 years of oil revenue in this province.

**Hon. Mr. Brockelbank:** — Did Manitoba lose 20 years, then?

**Mr. Coderre:** —After the hon. member has given me the opportunity to expound the reasons why I believe it, I believe he won't have very much to say about it, sir.

Then in 1956, according to 'The Leader-Post', the production in Alberta was 144 million barrels of oil, and at the same time we were producing 20 million barrels. In other words, in Alberta alone the production was 30 million barrels increase from 1955 to 1956. Now, the increase alone, Mr. Speaker, is greater than all the production of Saskatchewan for that length of time; in fact it is 1 ½ times the total production. That was the increase alone. Then, if you cit it down into percentages, of course, it only shows a small percentage of increase as was mentioned in the House the other day of 20 per cent. I will probably get myself in dutch, but I maintain that, by this manipulation or system or ways of expression, it doesn't seem to leave the true picture as it should be, Mr. Speaker.

**Hon. Mr. Brockelbank:** — As you'd like it.

**Mr. Coderre:** — At the end of 1955 and 1956 – we are talking now in terms of dollars and cents, not barrels: in Alberta they received into their treasury in excess of \$600 million; and in Saskatchewan, according to some hon. Minister's statements in this House, we have received the fabulous amount of \$20 million. Now I believe that the bulk of this \$600 million received in the province of Alberta into their treasury insofar as oil revenues are concerned, has taken place sine 1946-46-47 – that is, the bulk of it. Now, Mr. Speaker, in 1945, or prior to 1945 – and I believe the hon. Minister of Mineral Resources (Hon. Mr. Brockelbank) was mentioning about what happened in 1944. Well, for some reason or other I seem to have a very, very vivid memory, Mr. Speaker, that from 1939 (or prior to that) to 1944, the country was at war, and every ounce of minerals, materials and supplies that were required for the producing of oil were used for the war effort. It was not until 1946 or 1947 that these supplies were available for the production of oil.

**Hon. Mr. Kuziak:** — During the war we didn't need oil.

**Mr. Coderre:** — We agree, Mr. Speaker, that Saskatchewan has the greatest oil reserves of anywhere on the North American continent, or probably anywhere in the world. Immediately after the war, Mr. Speaker, which was in 1946 or 1945 we had the same opportunity as our neighbouring provinces to the west, and we did not take advantage of it. They have put in their coffers in excess of \$600 million and all we have is \$20 million.

**Hon. Mr. Kuziak:** — Where was the oil under the Liberals?

**Mr. Coderre:** — I just like to hear you fellows talk, because I think that you are going to be sorry you said that in just a few minutes.

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They mentioned what happened under the Liberals. Well, if any of the hon. members across do remember the situation back in the 'thirties, there were not very many automobiles. I wish I had the Dominion Bureau of Statistics figures in regard to production or the purchasing of cars and tractors that took place immediately after the war, in this province. In fact the hon. Mr. Douglas, Premier of this province, mentioned at one time that the consumption of gasoline and fuels in the province had made a tremendous increase.

I would just like to take this opportunity, while I am on this, to say that I maintain why we have lost 10 years of revenue in this province is because of the attitude this Government has taken throughout. In order to show that, I am quite certain that at that time no sane-minded business, oil exploration or industrial group of people would ever come into a province after hearing the statements made by the Ministers of this 'holier-than-thou' Socialist Government of this province.

**Hon. Mr. Walker:** — There are a lot of lunatics around then.

**Mr. Coderre:** — Now I would like to quote a few statements, Mr. Speaker, — I hope I have the time.

**Hon. Mr. Fines:** — There's lots of time.

**Mr. Coderre:** — Speaking on the Second Reading of a Bill to amend the Department of Natural Resources Act, Mr. Herman Danielson said: "Why should the Government pour public funds into failing enterprises?" That is what Mr. Danielson said. "Why does not the Government now go to work and take over flour mills and oil refineries? Why not take over the Imperial Oil Refinery?" And, Mr. Speaker, the then Minister of Natural Resources said: "We will."

Mr. Speaker, when a statement like that comes from a Minister of the Crown, particularly from this Legislature . . .

**Hon. Mr. Walker:** — We didn't have the translation until today, of what he said.

**Mr. Coderre:** — The point I am bringing out is that, on that one little question that Mr. Danielson mentioned taking over the Imperial Oil — the hon. Minister of Natural Resources at the time said: "We will." That certainly indicated that that was the intention of the Government at that time.

I don't believe that any sane-minded business corporation would dare enter the province, taking the risks that they have to, in the face of a statement like that. That is only one, of course, Mr. Speaker. I have another one here.

**Hon. Mr. Fines:** — What was the date of that one again, please?



**Mr. Coderre:** — That was November 1, 1944.

**Hon. Mr. Walker:** — We never knew what it was ‘Danny’ said until today.

**Mr. Coderre:** — And then we go on, Mr. Speaker, and the premier, in an interview in Winnipeg, under the heading of “Socialism Has Not Begun.”

**Hon. Mr. Brockelbank:** — He’s a Bridey Murphy!

**Mr. Coderre:** — I quote: “socialisation in Saskatchewan has not begun”

That is what the hon. Premier said.

“ . . . The Government being too busy with basic legislation during its emergency session last year and its first regular session this year.”

Now he still leaves the impression with these industrial groups who would like to come into Saskatchewan, particularly after the war was over and they had the supplies and materials to come in, the hon. Premier still left the impression at that time . . .

**Hon. Mr. Walker:** — What date was that?

**Mr. Coderre:** — April 4, 1945. He still leaves the impression that, well, they were just getting the groundwork ready and previous to that they had said, “We’ll take it over.” So the companies still don’t know what to do; they don’t dare take a change; so in the meantime production is going on elsewhere.

Then I would like to bring in another one. This one, Mr. Speaker, is another quote – I do hope that you don’t object to my bringing these quotes, Mr. Speaker, but it is all brought in to show . . .

**Hon. Mr. Brockelbank:** — You can bring your vest and pants, too, if you like!

**Mr. Coderre:** — . . . why – the big why – these industries, particularly oil production, was not in this province. This comes under a rather peculiar heading. You know, of course, this isn’t my heading:

“Premier Douglas Is Watching . . .”

**Hon. Mr. Nollet:** — Peculiar, all right.

**Mr. Coderre:** — “. . . and the Minister of Natural Resources is waiting.”

That is referring to gas and oil.

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“The following resolution was passed at the provincial convention of the C.C.F. held in Moose Jaw on July 24, 25 and 26 of 1946.”

We were just getting into this industrial movement or this oil development and this is what the C.C.F. party and the Government were doing; and it was reported in the ‘Commonwealth’ (I presume that is the official paper of the party) on August 7, 1946:

“Whereas the existence of natural gas and oil in commercial quantities in the province of Saskatchewan has been proven conclusively, and

“Whereas the C.C.F.” (Yes, the Socialist party) “believes and advocates the public ownership of the natural resources of this province for the benefit of the people of Saskatchewan, and

“Whereas a resolution was passed at the 1945 provincial convention urging the Government to undertake the development and distribution of natural gas and oil in this province;

“Be it therefore resolved that we urge our Government to take steps towards the implementation of the C.C.F. platform for the development and distribution of natural gas and oil under public ownership and control for the benefit of the people of Saskatchewan.”

Now, Mr. Speaker, these are just a few of the quotes I have been bringing out and I have one more that is very, very important, and I believe I have time to bring it out.

The Provincial Government, as quoted in ‘The Leader-Post’ of July 27, 1956, by special staff reporter at their convention – this is what was going on then:

“The Provincial Government is permitting private enterprise to develop known resources because it does not feel ready to take the step itself; but the Government will move at the appropriate time, the Minister of Natural Resources said.

“He told the delegates of the C.C.F. at its annual provincial convention on Friday afternoon . . . ”

“The Minister made the statement in reply to criticism by Mr. P.G. Makaroff, Saskatoon party council member, who wanted to know why a Socialist Government was permitting private enterprise to develop oil resources in the province.”

“Mr. Makaroff also wanted to know how it was that the Provincial Government-controlled Bureau of Publications has issued a statement to the effect that it would now be easier for private concerns and individuals to develop provincial oil and gas industries.

“Now this was not in accord with the basic Socialist principle” (this is what one of these gentlemen said; and he said: “It would dampen the ardour of many members.”)

Now, there is a question – let’s think of the membership. The hon. Premier then got up and told the convention that there was no market for oil in 1946. There was no market before, apparently, for oil that was being drilled in the Saskatchewan fields, and it was being dumped. He said:

“The Government was, however, on the track and in the process which might make the oil commercially profitable; and he said he had a geologist and engineer working in the field for some time; but it was inadvisable at the present time to prevent private enterprises from developing the oil fields; but the Government would watch it.”

And that is all they did. It wasn’t advisable to develop the oil fields, but they would watch it! They watched it while the other guys got it!

I would go on, Mr. Speaker, for the next 24 hours, just bringing out some of these statements that have been made. And these very statements, Mr. Speaker, were made in the mid-forties at the time when the oil industry was frozen in this province.

**Hon. Mr. Walker:** — Give us some more.

**Mr. Coderre:** — And then you wonder why? It hurts, doesn’t it?

**Hon. Mr. Walker:** — No, I haven’t had so much fun for weeks.

**Mr. Coderre:** — And then you wonder why we have lost all these industries. It is very obvious that all these statements that have been made by members of this Government certainly did not create the proper political atmosphere. Therefore, Mr. Speaker, I will say again and again that it is

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the bungling statements made by the members of the Cabinet of this Government, statements they have been making since 1945, that have kept us back in the doldrums insofar as the development of our natural resources are concerned.

**Hon. Mr. Walker:** — You're giving us the credit now, are you?

**Mr. Coderre:** — There is one little comment, Mr. Speaker, that I forgot to mention when I started. I had asked a question on March 11, 1957, on the Order Paper, No. 163, and the question was: "What was the total cost of publication and distribution of 'The Saskatchewan News'. I have it from 1945 on: in 1945, \$9,000; in 1947, \$24,000. That was a tremendous jump. Of course that was the year before election. In 1949 it dropped down to \$19,000.

**Mr. McDonald:** — Why?

**Mr. Cameron:** — The election was over then.

**Mr. Coderre:** — Yes, the election was over.

**Mr. McDonald:** — I never thought of that!

**Mr. Coderre:** — And then in 1951, with another election coming up the next year, it jumped from \$19,000 up to \$31,000, and then in 1952 it went down; in 1954 there was no election and it dropped down. In 1955, they were planning for an election in 1956 and up it goes again. Mr. Speaker, I believe that is using the funds of the people of this province for political propaganda and I think it is about time and we will do everything we can in this Opposition to try to stop this sort of stuff. When I see the things that have been going on I feel that this Government has shown a tremendous lack of concern for agriculture, as I have shown, and lack of concern for the developing of our resources.

For that reason, Mr. Speaker, I feel that I cannot support the motion.

**Mr. J.W. Horsman (Wilkie):** — Mr. Speaker, I beg leave to adjourn the debate.

(Debate adjourned)

## FEDERAL AID FOR EDUCATION

Moved by Mr. Thorson (Souris-Estevan), seconded by Mr. Willis (Elrose):

“That, in the opinion of this Assembly, the Government of Canada should, without encroaching on the exclusive jurisdiction of the provinces in the matter of administration and curricula, provide increased financial aid to the various provinces of Canada for the expansion and the equalization of educational opportunities in the primary, secondary and higher institutions of learning.”

**Mr. Kim Thorson (Souris-Estevan):** — Mr. Speaker, when I spoke in the debate on the Speech from the Throne I pointed out that those of us who wanted to be responsible and effective people in the conduct of Saskatchewan’s affairs must take into account all levels of government- federal, provincial and local.

In moving and speaking to the resolution on the Order Paper tonight, I want to apply that statement to a particular field of social activity, to the way in which society institutionalises the business of giving its young people a deliberate, psychological training. In short, I want to consider levels of government as it relates to the field of education. I think all of us are concerned about education. In the history of the western part of the world, to go back even to Napoleon Bonaparte, he said that public instruction should be the first object of government; and even further back than that we find that Diogenes said, “the foundation of every state is the education of its youth.”

The resolution which I want to move tonight deals with education in Canada. I don’t want to take a long time speaking to it. I only want to point out some of the implications of the resolution. It asks first of all, for the expansion of educational opportunities for Canadian young people in various institutions of learning. The question arises whether we ought to expand educational opportunities, and I suppose there are a number of measures by which you can determine whether we have enough educational opportunities or not; but I know, in the report of the Canadian School Trustees’ Finance Committee, headed by Dr. Lazerte, entitled ‘School Finance in Canada’, there are some very interesting statistics on the degree to which young people in Canada have educational opportunities. For instance, we notice, on Page 23 of that report, in 1951 the percentage of people aged 15 to 19 years in Canada who were not attending any school of any kind. In rural areas, for all of Canada, that percentage was 63 per cent; in urban areas it was 57 per cent; and it ranged, in the various provinces, from a high in rural areas of 78 down to 50 per cent, and in urban areas, in different provinces, from 65 per cent down to 45 per cent.

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When you stop to consider something, roughly like 50 per cent of Canadian young people in that age group from 15 to 19 years are not attending schools of any kind, I think it becomes pretty clear that there are not enough educational opportunities in Canada.

The second thing the resolution asks for is the equalization of educational opportunities for Canadian young people. Here again we have to ask ourselves whether or not young Canadians have equal opportunities for education. And again (to quote the report of the Canadian School Trustees) we find that the expenditures for primary and secondary education per pupil, in 1951-52 across Canada, if we take the lowest expenditure, which was in Newfoundland, it was \$86 per year; the highest expenditure per pupil in primary and secondary schools was in British Columbia and it amounted to \$293 per year. Saskatchewan was somewhere in between – at \$196 per pupil per year. So there again I think it is an indication that educational opportunities are not equal, because all areas of Canada are not able to provide the same level of education instruction or the same number of facilities for education for young people.

The resolution asks, then, for the expansion of educational opportunities and for the equalization of educational opportunities. I want to point out here that we are interested, not only in the quantity of educational opportunities (if we can use the term 'quantity'), but also in the quality of education by which our young people are trained. And here again the report on School Finances in Canada is a fairly interesting indication of the inequality and of the lack of educational opportunity and of the low-quality of educational opportunity in Canada. If we take a look at the number of persons who are teaching in Canadian schools and had no professional training during the year 1952-53, the highest number of non-qualified teachers was in the province of Quebec, which is understandable because it has one of the largest populations; nevertheless, there were 1,643 people teaching with no professional qualifications. In British Columbia there were only 50 non-qualified teachers; in Saskatchewan there were 693. So I think, from that fairly quick and ready and easily available measure of the level of educational opportunities and of the degree of equality of educational opportunities, none of us can rest content and think that we are doing enough for young people in Canada.

The resolution also asks that we solve this problem to some extent at least by having financial aid provided from the Federal treasury of Canada to the various provinces of Canada for the expansion and equalization of educational opportunities. And, of course, the first question, which is quite a proper one, that comes to our mind is, 'why should we ask Ottawa to do it?' I suppose the best answer to that is that Ottawa has the most money and is most able to provide educational financing in Canada. It is quite interesting to note that, according to information provided to the last Dominion-Provincial Conference, the Federal Government collects approximately 75 per cent of every tax-dollar collected by all levels of government in Canada. The other two levels – the provincial and local governments in Canada – get about one-third of that. They get 25 per cent of every tax-dollar collected in Canada. The provinces get about 10 per cent and the local

governments collect about 15 per cent.

I want to point out that while we are asking Ottawa to provide some money for the expansion and equalization of educational opportunities, it is not the intention of the resolution that provincial rights or local autonomy should be interfered with. The resolution reads, in part, that this money should be provided “without encroaching on the exclusive jurisdiction of the provinces in the matter of administration and curricula.”

I think another reason why we can legitimately ask Ottawa to provide some expanded financial assistance in the field of education is that the principle is already well established in Canada. It is very well to say that, according to our constitution, or according to the British North America Act, the Federal Government of Canada has no responsibility in the field of education; but over the years since 1867, a great many public-minded people in Canada have made a different interpretation of the Federal Government’s responsibility in the field of education. We already have large grants from Ottawa for vocational training. The Federal Government provided most of the funds for veterans to study after the war. The Federal Government is making very large grants to various universities in Canada; and most, recently the Federal Government now proposes to establish and finance the Canada Council, which I suppose you can argue is a cultural venture, but I judge there really isn’t much difference between providing opportunities for cultural betterment and providing opportunities for education, or for (as I called it) a deliberate psychological training of young people.

There is another reason also why I think we can be on safe ground when members of this Assembly vote in favour of asking Ottawa to provide funds for education, because we know that this is a very popular demand, by various people – all kinds of service clubs, school trustee organizations, teachers’ organizations and ordinary citizens. Various associations have passed resolutions favouring Federal aid for education. I know that, last week, during ‘Education Week’ in my own constituency there were a number of forums held, to which the public was invited, and the participants in the forum represented teachers’ groups, taxpaying groups, trustees, and there was almost unanimous agreement that the need for educational opportunities in Canada is so urgent that Federal assistance ought to be made available. And I think those of us who have read the LaZerte report will remember very well that it said that at the very least Ottawa ought to provide \$150 million per year for educational grants for primary and secondary education.

Those are the implications of the resolution, and I want to make only one more comment. As a young person, I have often been told that I am part of the greatest natural resource that Canada possesses. I suppose that has become almost a cliché, and yet clichés, very often, are just repeated truths. The really discouraging and frustrating thing about it is that, while everyone agrees that the youth of the nation is our greatest resource, when it comes time to putting up money to invest in the development of that resource everyone seems to feel that it really isn’t as important as

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they once said it was. but I think it is an important resource. It is important for the economic development of the nation. I said in the Throne Speech debate that the way people make a living – and I may say that the standard of their living depends on the resources of the land and the hand and the mind which the people possess; and you can improve those resources of hand and mind by providing more opportunities for education and for training of young brains and young hands.

It is important, also, for the young people themselves. After all, this is a very much more complicated society that we live in today than we have ever had in the world before. The farmers nowadays must have more skill than the simple ability to swing an axe or hold a hoe. Even housewives in their kitchens find that modern society requires some understanding of electricity and so on.

But it isn't only important in the field of economic development that we invest in this resource; it is also tremendously important in a political sense. I don't mean in any partisan political sense; I mean that for the future health of our democratic way of life, it is important that we train people. Democracy is often said to be the government of the people by the people. The people cannot govern themselves in any responsible way unless they have enough education to make responsible judgments and responsible decisions, and unless they have the skill and the knowledge to so use their resources that they can achieve not only economic independence, but maintain the freedom that all of us consider is our primary goal in democratic society.

Mr. Speaker, I am convinced that the worthiness of developing our human resources is so obvious that every member of this Assembly who has any concern for the future development of Canada, and for the young people of this nation, will vote in favour of this resolution. I think the final word I should like to say is that, if we don't provide more educational opportunities for young people, we shall be contributing to one of the greatest tragedies of our time and that will be the simple fact that the people who come after us will be just as ignorant and just as stupid as we are.

Therefore, I want to move the resolution standing on the Order Paper in my name, seconded by the hon. member for Elrose (Mr. M.J. Willis).

**Mr. Maurice J. Willis (Elrose):** — Mr. Speaker, in seconding this motion, Sir Wilfrid Laurier once said that the twentieth century would belong to Canada, and as we are now in the second part of the twentieth century the challenge rests with us to provide the best in the century. Young men and young women, to take advantage of the challenge that is theirs, will have to have the best education that is possible to afford in this fair Dominion of ours.



Education and educational problems in Canada have been aggravated, first, by an increase of population, and secondly, by immigration, and thirdly, by movement from the rural to urban centres. When the British North America Act was passed in 1867, the jurisdiction for education was given to the provinces and education was under provincial jurisdiction, such as subject matter, methods and curricula; but the education of that day was primarily elementary education, and the quality of education is a matter of importance and concern to the whole Canadian nation. Children should have equal opportunities of education, irrespective of geographic location, irrespective of the origin of their parents or of their economic status.

In this vast country of ours we have some provinces that are highly industrialized and very wealthy. We have a condition of economics entering into it. We have a condition that some provinces are at a disadvantage in regard to their location and added to this, where large manufacturing concerns are located, those provinces have been, in the past, able to collect from those corporations and therefore, are in a much better financial condition than other provinces. Then we find a vast difference in equal opportunity for education between rural and urban children in Canada. We find that 75 per cent of the children in rural Canada in the age group of 14 years are in school, while 94 per cent in the urban centres in Canada in the 14-year age group are in school. In the 15-year groups we find 52 per cent of the rural children in school, while 81 per cent in the urban centres are in school. There are reasons for this. Because of the facilities in rural areas due to financial reasons and due to their geographic position, we have a greater drop-out in the rural population in those age groups than in the urban. Then we find, according to the 1949 report of the Bureau of Statistics, that certain provinces due to their wealth, can afford to pay much more on elementary and secondary education. I have taken the three highest and the three lowest. In British Columbia, in 1949 they paid \$244 per pupil in the elementary and secondary levels; Alberta, \$201 and Saskatchewan, \$174. Now looking at three of the lowest: Newfoundland paid \$77; Prince Edward Island, \$83; and Nova Scotia, \$114. Or if you take it on a per capita basis: British Columbia paid \$30, Alberta \$32, Saskatchewan \$27, Quebec \$19, Newfoundland \$13, and Prince Edward Island, \$13. So, by those figures alone the provinces have not the same equal opportunity for education, due to finances.

Another reason – in a democracy the average intelligence of the people and the degree to which the people are informed, on all planes, must be kept at a high level if the principles of democracy are to thrive and survive. In Canada, without greatly increased participation in nearly every sphere of life, it reveals that a rising level of political intelligence is required if democracy is to function successfully. With the complexity of our society we need better educational facilities so that the youth can meet the challenge. Our professions now number more than 10 times as great

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as the number of workers in 1870. During the first year of World War II Canada found that it was in great need of skilled workers, of trained workers, at that crucial time. Further, we find that propaganda has developed to a point in this modern world where it almost ranks with bullets and bombs. In emergency, we know that the Dominion Government, during the second world war, contributed greatly to the training of men and women in many types of schools, and I claim what we can do in war-time we can do in times of peace. Horace Mann, the great American, once said, "above all other devices of human origin education is the great equalizer of the conditions of man."

The cultural liabilities resulting from the existence of educational slums cannot be quarantined. This fact makes education a matter of national interest, as well as provincial and local concern.

One of the arguments that is used against Federal aid to education is, "Where are we going to get the money?" When we spend billions on armament, surely we can find a few millions to give equal opportunity for our young men and young women in this fair Dominion of ours.

Another objection, of course, is that if Federal money is given then it will have to be under Federal control; but in the resolution itself we still say that education can be under provincial jurisdiction, because grants have already been made in certain spheres of education and because grants have already been made in certain spheres of education and are being made at the present time. I am sure that this money, if it were granted by the Federal Government, could be earmarked as health grants are now in the field of health, for a particular purpose; or as grants for vocational education are earmarked for vocational education alone; and we find that since World War II, the Federal Government has paid out more than \$125 million to assist veterans, and there was no element of Federal control interfering with the jurisdiction of any of the provinces.

We find in England, at the present time, that 50 per cent of the cost of elementary and secondary education is paid by the state. Joseph Addison, of England, has this to say:

"Education is a companion which no misfortune can depress, no crisis can destroy, no enemy can alienate, no despotism can sway; at home a friend; abroad an introduction; in solitude a solace; and in society an armament. It chastens life . . . without it what is a man? A splendid slave and a reasoning savage."

In making this appeal for Federal aid to education, I want to close by quoting a Premier of another province, who had this to say at the Dominion-Provincial Conference in 1950:

"Education is . . .

**Mr. Cameron (Maple Creek):** —What Premier, please?

**Mr. Willis:** — I will mention that —

“Education is a subject which is of fundamental national concern because it far transcends the interest of any local community, that the utmost use should be made of all its human resources and that no child should be penalized as to the education which is available to him merely because he happens to live in one part of Canada rather than another. Requirements for adequate educational services have expanded tremendously since the British North America Act was enacted.

“At that time only elementary schools were under consideration. We therefore strongly advocate that the Federal Government should accept the responsibility for a substantial part of the cost of education.”

This statement was made by the Hon. Douglas Campbell, Premier of Manitoba, at the Federal-Provincial Conference in 1950. I take great pleasure, Mr. Speaker, in seconding the motion.

**Mr. D.T. McFarlane (Qu’Appelle-Wolseley):** — Mr. Speaker, I beg leave to adjourn the debate.

(Debate adjourned)

#### **CASH ADVANCES ON FARM-STORED GRAIN**

Moved by Mr. Thurston, seconded by Mr. Brown (Bengough):

“That this Assembly, through the appropriate governmental channels, reiterate its request to the Government of Canada to implement a policy of cash advances on farm-stored grain as a permanent feature of Wheat Board marketing.”

**Mr. C.H. Thurston (Lumsden):** — Mr. Speaker, in moving the resolution on the Order Paper dealing with cash advances, I want to say first that this motion embodies no new principles, that members are not already familiar with. As you will remember, sir, a similar resolution passed this Legislature a year ago. You will remember also, sir, that the Opposition members at that time did not support the resolution, but I hope that all members of this Assembly will support this resolution at this time.

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To me, cash advances are just as important now, as they were a year ago. I am not going to weary the House, this evening, by repeating the arguments put forth, not only in this Legislature, and the House of Commons, but at farm meetings throughout the country a year ago. All I need say is that the reasons put forward then in support of cash advances are just as valid now.

Sir, I don't know of any topic that is discussed more throughout the country than this topic of the lack of cash for the farmers, by the farmers themselves. If you go to any meeting, any farm meeting, that is one of the main topics discussed. If you meet any farmer in the town or village or on the city streets, you don't talk to him very long until this problem of the lack of cash and what can we do about it comes up.

I am not going to suggest tonight that every farmer in the province is destitute, but I do get kind of tired, sir, of hearing, as we do from some quarters, that everything is rosy and that the farmers never had it so good, or were never as well off as they are today. One only has to talk to merchants and storekeepers, not only in the small towns and villages, but here in the city of Regina. I know, last Saturday I attended the annual meeting of our Sherwood Co-op, and it's a pretty big Co-op; and dealing with the sales it was pointed out, in the Directors' Report, that the lack of cash is certainly curtailing some of the business. Now, I think if you see that in a co-operative such as that with 19,000 or 20,000 members where the great majority of them are city people, if a business of that size is feeling the pinch, certainly the little business-man, the machine agent, the storekeeper throughout the country must be feeling the pinch of the lack of cash on the farmers' part.

Another way we can gauge why the farmers aren't as prosperous as we believe they are, are the arrears of taxes. Tax arrears are beginning to mount again. We know what the situation was in the 'thirties; through no fault of their own, the farmers were not able to pay their taxes, so that municipalities and schools and the small business people who had given credit to these farmers, were on the brink of bankruptcy. And I don't say for a moment, sir, that the farmers just refused to pay these taxes, or to pay these bills. Simply they didn't pay them because they didn't have the cash.

Now, I suggest, sir that this is the situation that we are beginning to come into now. The tax arrears again are beginning to mount, the arrears of taxes in the municipalities and school districts, and small businessmen are finding it the same way, and I suggest again, sir that it is because of the lack of cash.

I think it was those reasons that prompted our farm organizations, particularly the Wheat Pool and the Farmers' Union, in their annual conventions and meeting in 1955 and again in 1956, to pass resolutions asking the Federal Government to implement a policy of cash advances on farm-stored grain. I think that in that regard, Mr. Speaker, it could be truthfully said that possibly some of our farm leaders at that time didn't seem to see the need, or feel that

there was a need for cash advances. And I want to say that when we held our farm conventions in 1955, any of those who thought that quickly changed, because, when the farm members came into these conventions they quickly changed the opinions of some of the leaders who thought that cash advances weren't required. And the rank and file of the people then were unanimous in their views for cash advances, and that opinion hasn't been changed today.

Now our Federal Government has consistently refused to recognize the need or the principle of cash advances. Instead they have passed legislation setting up a system of bank loans. This policy, sir, has not solved the problem of the shortage of cash to farmers. I might say in that respect that one prediction the Leader of the Official Opposition (Mr. McDonald) made some 18 months ago, when, supporting the principle of cash advances over bank loans, he said that bank loans would be as ineffective as a stirrup pump at a forest fire – that prediction has come true. I agreed with him then, and I still do. This policy of bank loans . . .

**Mr. McDonald:** — Mr. Speaker, on a point of privilege. I don't want to interfere with the remarks the hon. member is making in introducing this resolution, but I wouldn't want anything to go into the record not in accordance with the facts. The statement I made at that time was not the statement that has been repeated here by the member tonight. And I wish that, if he is going to repeat it, he would make sure of his facts first.

**Mr. Thurston:** — Mr. Speaker, I was just quoting from a press report . . .

**Mr. McDonald:** — You didn't quote anything.

**Mr. Thurston:** — The proof of this, Mr. Speaker, is that the farmers have not availed themselves of the loans. I have here a total of the number of loans that farmers have taken since the inception of the bank loans in 1955. As you will know, sir, this Act came into effect in November of 1955; it carried through until June, then it was discontinued; and, in November of 1956, it was again enacted. The number of loans up to January 31, 1957, total 15,360, amounting to some \$11,391,481. This, sir, was for the four western provinces. In Saskatchewan there were only 3,651 farmers received loans totalling some \$2 ½ million. Surely, sir, there isn't anyone who will think that there were only 3,651 farmers in Saskatchewan, this last two winters, that were in need of loans! the truth to me, sir, is that the farmers resent having to do the banks and borrow money. Many farmers in the past have been in debt, and to ask them to go to a bank and borrow money, with the experience – and I can say, in a lot of cases, the sad experience – the farmers have had with banks, they just resented it. Furthermore, the farmers resent having to go to a bank and borrow money at 5 per cent interest – at what you might say interest on their own money. I can imagine, sir what any worker, any business man, would say. The hue-and-cry they would put up, if instead of getting a paycheque at the end of the pay week, they were told to go to a bank and borrow money against their wages. That is exactly the position that the farmers are in. They don't like to have to go and borrow money against their wheat.

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Now, sir, the Federal Government has been able to predict fairly accurately the volume and exports of sales expected in a year. They know how many acres are seeded to wheat, and it should be fairly simple to estimate how many bushels per seeded acre they will be able to take from a farmer during the year. Surely then, the farmers are within their rights when they ask for a cash advance against that portion of the crop which the Wheat Board expects to take from the farmer during the crop year. The farmers are not asking in this for a handout. We all know that grain, properly stored, is an asset, not only an asset to the farmer, but to the nation as a whole; and all that the farmers are asking for is a cash advance against the grain stored, until such a time as the Wheat Board can take delivery.

**Mr. J.W. Gardiner (Melville):** — That's what we're hearing now!

**Mr. Thurston:** — . . . farmers receiving cash advances against their grain and then selling the grain to somebody else on a black-market, or feeding it to their livestock. Now, sir, I think it is a pretty risky business (and I think any livestock man knows it) to feed pure wheat to livestock, and I think it could lead to very serious consequences.

**Mr. McDonald:** — Oh, did you ever feed any livestock?

**Mr. Thurston:** — Mr. Speaker, unless this wheat is mixed properly with coarse grains . . . My Opposition friends are laughing; but I marketed hogs a few years ago, and I thought I could get away with it on straight wheat, and when I took them in when I got two grade, I realized that I should have been mixing some other grains with it. As far as selling grain on a black-market, I just wonder where I would sell it. I know all my neighbours are in exactly the same position as I am.

**Mr. B.L. Korchinski (Redberry):** — That was your own idea.

**Mr. Thurston:** — It may be true that there are some parts of the province that haven't got this surplus problem that the bulk of the province has, but I think you will agree, sir, that under our Wheat Board regulations, there is a pretty stiff penalty if I am caught trying to sell wheat. In fact, I don't think that too many farmers would even try to do that. No, sir, I don't think that the honesty of the farmer needs to be taken into consideration, because as I mentioned, a moment ago, on this \$11 millions that have been taken out in loans over \$8 million of that has been repaid, only leaving a little over \$2 million outstanding. I suggest, sir, that the outstanding portion is the portion that has just been taken out in recent months or recent weeks, and the borrowers haven't had the opportunity to repay.

The resolution that I am moving simply asks for a system of cash advances, these cash advances to be handled by the Wheat Board or some other appropriate agency, and the local elevator agents to act as their agents.

I am sure that a local elevator agent out in the country is in a better position to know how much grain a farmer has, and the condition of that grain, than any bank manager, and it should not be so difficult to make an advance against that portion of the grain that the Wheat Board expects to take from you during the year. It seems to me that it is very simple . . .

**Mr. Foley (Turtleford):** — Mr. Speaker, on a point of order, the member has gone beyond the scope of this resolution, when he speaks about using elevator agents to pay the payments. I think we should restrict him to the resolution.

**Mr. Thurston:** — If they made an advance against this wheat, that is in storage, the farmer would still have enough equity left in the grain. That would still any fears that some people may have that, when you got 75 or 80 per cent or whatever portion is advanced on the grain, the farmer wouldn't care about the rest. I suggest, sir, that he would still have an equity in that grain, and would look after it as best he could. And as the quotas opened up, and the Wheat Board was able to take delivery of this grain, the elevator agent by it being marked in the permit book what the advance was, would be able to make the deductions.

We are told that cash advances by the Wheat Board would weaken the Wheat Board. To me I think it is quite the opposite. The Wheat Board gets reports from the local elevator agents and the elevator companies, as to the grades of grain in that area; that is, in the shipping area. With this knowledge, they can call for the kind of grain that the market requires. Now you know yourself, sir, that maybe the Wheat Board gets orders for one, or two, or three, four or five, or whatever the grade may be. They know where that grain is, and they call for it. That is the practice that the Canadian Wheat Board is trying to follow. But it is very difficult for them to follow that in its entirety; simply that a shipping point has one bushel and the Wheat Board wants a certain type of grain, this point hasn't got that type, so they take it from another point where it is, and if that goes on to where they get up to three or four bushels, and the other point is still at one, there is a hue-and-cry-made. I know this from experience. You get after your elevator man and he gets after his company, and they start to inquire of the Wheat Board and raise enough Cain, and finally the Wheat Board, to quieten them down, does start to send in some cars.

I think, sir, that if we had a system of cash advances, the Wheat Board, knowing where this grain was would take it. Knowing these facts, if I could go to the elevator and get a cash advance against this wheat, it would strengthen the Wheat Board by the fact that they could take it from where they want it. That is one of the reasons I think that the cash advances could strengthen the Wheat Board marketing, as they would at all times put the Wheat Board in the position that they could call for the grain, for the grade that is called for.

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In closing, sir I am not going to argue on the point of the validity of cash advances through the Wheat Board. In my opinion it wouldn't weaken the Wheat Board, but I could be wrong. It might be that, in their wisdom, the Federal Government would set up a separate agency similar to the Commodity Credit Corporation in the United States. This organization would appoint the elevator agents as their agents to handle it. Now, I don't think, personally, that the farmers themselves feel too strongly on this point, whether the Wheat Board or some other agency handles it. I do know, sir, that the farmers are in desperate need of cash. As I said, it has been proven that the bank loans have not met this situation. The important thing, though, I think, to do today is to get the Federal Government to recognize that the bank loans have not met the need and that cash advances is the system that the western farmers want.

Now I do know that it will likely be said that we had better go carefully; that if we push this too hard, the Government might throw out the Wheat Board. Mr. Speaker, to me that is not an argument. I don't think that the Federal Government or any Government at Ottawa will dare throw out our Canadian Wheat Board, particularly in an election year. I can say, sir, that no political party would dare come out today, particularly west of the Great Lakes, and say that we will throw the Canadian Wheat Board out, because, if they did, I would doubt whether they could elect a single member west of the Great Lakes. We hear a lot about our other developments, but still, in western Canada, even cities the size of Regina and Winnipeg are to a great extent depending on agriculture. So I don't think that any political party would dare throw the Canadian Wheat Board out of the window.

That, sir, briefly, is what this resolution is trying to point out to the Federal Government – the need of cash advances. Therefore, I have pleasure in moving, seconded by Mr. Brown (Bengough) the resolution standing in my name.

**Mr. Ross A. McCarthy (Cannington):** — Mr. Speaker, I hadn't intended to speak on this. This is a question that there is a lot of sides to, a lot of angles to, and I think we should consider it very carefully before we pass it. No one doubts that throughout this province, more especially in certain areas of the province, there is a surplus of what; but I don't think that we should quarrel with Nature. Nature supplied us with five average crops in three years; it is a temporary situation, and while it is very unfortunate, or rather very inconvenient, for those people who have it, I agree with the member when he says that there is no insurance that a farmer can have that is equal to some good hard wheat stored in good granaries. If those people in those areas who have been growing five crops in three years, through good rainfall and climatic conditions, are fortunate enough to have that left over, I think they are very fortunate and they shouldn't be crying about it. There are many parts in this province that aren't in that happy position. The great bulk of the surplus wheat in this province is across the south end and up the west side. You can take the east side across the north and there isn't any particular surplus of wheat.



I know that some of the gentlemen who come from the west and the south will hardly believe that. I was through that part of the province, and I found all across the north and up on the east side of this province there isn't any particular problem. There may be isolated districts that have a little; but taking it by and large, that problem doesn't exist up the east side and across the north end. Where it does exist, I think the best way to put money in the farmers' pockets is to sell the wheat. Now they have been able to do that where they have been growing an average crop, but where they have had a tremendous crop they have not been able to, and I don't think you can quarrel with that.

The gentleman over there said you could look at the statistics and tell how much wheat there was going to be in any given year. Well, he is probably a little younger than I am, but I want to tell him that you have what wheat there is going to be. We have seen it in the 'thirties when we didn't get rainfall and we didn't have any wheat, and no statistician, I don't care how clever he may be, can sit down and tell you what amount of wheat you are going to have next year.

**Hon. Mr. Brockelbank:** — What resolution are you on now?

**Mr. McCarthy:** — I am speaking on this resolution, and I am not wandering near as far as the mover. I am replying to some of the statements the gentleman made over there when he was moving the resolution. I am not wandering near as far as he did, and I hope I won't.

I was rather surprised to hear my young friend over there suggest that the elevator people were the people to handle these loans; even if it were feasible, I was rather surprised to hear him get up and make that statement, because if I was an elevator agent in a little town and I had some competition (if there were two of us there) and I had the privilege of loaning out all the money that I wanted to, I would jump out of bed at four o'clock in the morning and go out and make loans to every farmer I could find, because I would expect to get his grain in my elevator.

**Mr. Kramer (The Battlefords):** — Mr. Speaker, on a point of order, I see nothing in the motion that deals with loans. I would just like to keep the speaker on the right track.

**Mr. Speaker:** — You haven't got a point of order.

**Mr. McCarthy:** — You are drawing a pretty fine point — if you are talking about the difference between a loan and an advance. There is no great difference . . .

**Mr. Kramer:** — Oh yes, there is a vast difference.

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**Mr. McCarthy:** — If you will look in the dictionary you will see it is the same thing. But anyway, we won't argue about that.

Another thing that I wanted to say is that we have in the Wheat Board an organization that has not been equalled anywhere in the world, and we should be very careful about tacking on to it some of these things which the Wheat Board was not intended to handle, in case we clutter it up to the disadvantage of the Wheat board. After all, it is a temporary situation over part of the province, not all of it; and we do not want to do anything that would be to the disadvantage of the Wheat Board. Certainly there are other organizations and other methods that are better equipped to do that. Now, Mr. Speaker, I beg leave to adjourn the debate.

(Debate adjourned)

The Assembly then adjourned at 10.00 o'clock p.m.