

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN  
Second Session — Thirteenth Legislature  
13th Day

Monday, March 3, 1958

The House met at 2.30 o'clock p.m.

**BUDGET DEBATE**

The House resumed, from Friday, February 28, 1958, the adjourned debate on the proposed motion of the Hon. Mr. Fines (Provincial Treasurer): That Mr. Speaker do now leave the Chair. (The Assembly to go into Committee of Supply).

**Mr. A.C. Cameron (Maple Creek):** — Mr. Speaker, we notice that this is the first opportunity we have had to examine the Budget under the new system of bookkeeping set up last year. It is understandable, of course, that we must wait another year before we can assess the findings of the Budget under this new system. I think, too, we welcome the change to one consistent measure of the debt, and am pleased from now on we have one measure by which we can analyze the differences in cost. I noticed, too, that the Provincial Treasurer, in making this change of recording the net position of the province, has been able to reduce the net debt as of December 31, 1957, from \$51,673,000 to \$31,800,000, a reduction of \$20 million in the net debt just by a stroke of the pen.

**Hon. Mr. Nollet (Minister of Agriculture):** — That's a good way of paying off your debts.

**Mr. Cameron:** — I am not going to quarrel with that, however. I am prepared to start afresh and accept the net debt of the province at this date as \$31,800,000. Likewise, the net debt is simplified now in its position. It really means you reach the net debt by considering the total of what the Government owns, less the total of what the Government owes, and I think that simplifies it considerably. We likewise agree that, ordinarily, capital expenditures increase the net debt. I don't think anyone will disagree with that. It increases it because it reduces the cash in the consolidated fund without buying assets that are readily saleable. For instance, I think of highways. No one would consider the expenditure for highways as a realizable asset because I think we would find considerable trouble in attempting to sell a highway. So I agree with that measure, too.

I think, too, the House will find general agreement that the problems of 1958 are problem of change. I think the problems of education, growing school population, and the need for huge expenditures

for construction of classrooms is a major problem. No. 2, I think, would be the problem facing farmers and agriculture in general: problems of loss of farm population; the credit needs of small farmers; the providing of markets for the farmers' produce, and the dwindling of the net farm income. I think the problem, too, of getting the Government to adopt changes — changes on emphasis of governments; the activities for these accompanying changes in apportioning the provincial revenues to effectively provide the services needed by the people; I think the Government must be able to identify the major current problem, and to proceed to initiate specific proposals to meet these problems. I think that is the major function of government.

I would say that the major problems facing Saskatchewan today (1958) are four in number, and are not necessarily in this order of importance; certainly education, the plight of agriculture, the loss of population, and the inducement of industries to come into the province. A study of the estimates of revenue and expenditure to my mind is the most important function of this Legislature. The amounts to be voted to the various Departments reveals where the Government is placing emphasis in regard to its expenditure. By examining these votes we can gauge whether or not the Government is alert to the major current problem, and we can gauge whether or not they are initiating effective measures to deal with these current problems. The Budget Speech remarked (and I think rightly so) that education continues to be one of the most urgent problems facing governments today.

Turning to the estimated expenditures to meet this crisis in education, we find the percentage of the revenue of the province allotted for education is increased from the 19.22 per cent of last year to 20.36 per cent, or an increase in the overall expenditures of 1.14 per cent. In examining the estimated expenditure to alleviate the plight of agriculture, we came upon a startling revelation. Here the Government feels that the greatest help it can give to alleviate this problem is to reduce the percentage of the budget allotted for agriculture from 4.35 per cent to 4.24 per cent.

I mentioned the major problems facing Saskatchewan today as four in number, but I think we can add a fifth problem, and that is the problem of the inability of the Government to adapt itself to change, to re-examine the division of responsibility, and to provide effective services to meet these current problems. Local governments, both school and municipal, find themselves saddled with increased responsibility and ever-increasing tax burdens without an expanding tax base. The Provincial Treasurer, in reference to municipal aid, stated:

"The Government has reason to be proud that, of a budget of \$131 million, almost one-third, or \$42 million, will be spent in 1958-59 indirectly assisting our local institutions."

Mr. Speaker, I was amazed at that, when you look into the budget, because I don't believe I have ever witnessed a more blatant attempt to deceive local government than this statement of the Provincial Treasurer's that \$42 million is allotted to local government: "Direct aid to local government is one-third of the budget, or \$42 million", states the Provincial Treasurer. How does he arrive at the sum of \$42 million as direct aid to local government? That is an interesting question to look into. He throws in every conceivable thing that in any way benefits local people to obtain this figure of \$42 million. I shall list only a few of them: old-age assistance to the 65-69 group under the municipality; secondary highways, education, ferries, yes, Mr. Speaker, and even the correspondence school! Here is the great "humanity first" Government serving notice to every local government that "you are henceforth responsible for education, old-age assistance, secondary highways, ferries — and yes, even the correspondence school". They say to the local governments, "These are your responsibility, not ours". And the Provincial Treasurer says, "We are proud of having done this". I should think they would hide their heads in shame!

Then, as if this is not enough, in order to build up a case for aid to municipalities and to local government, he now throws on to their responsibility the hospital scheme. When the hospital scheme was paying its own way, the C.C.F. said, "That is ours". Now that it is running up huge deficits they say to the municipalities, "That is yours". \$16-odd millions the treasury puts up to carry the scheme of hospitalization — but that is a responsibility of the municipalities. I want to quote the Provincial Treasurer as he says in his budget speech:

"If this service (Hospitalization) can be considered as an indirect aid to municipalities, and quite frankly I believe it can, then a further budgetary expenditure of \$16.6 million can well be added to the \$42 million of direct provincial assistance for local governments in 1958-59. This is a total of almost \$59 million."

There is the Provincial Treasurer placing the burden of all these responsibilities — the ferries, secondary highways, correspondence schools, hospitalization — on to the backs of the municipalities, and then saying to them, "You carry it; we'll come behind and if

you stumble and fall, we'll give you a little boost to help you on your way," Then he says, "We are justly proud of having done this." What does he think the local municipal men and school districts are? How does he think he can sell such a statement as that to them? No man would, unless he thought the local people had minds of a moron, attempt to sell them a trick of that nature. As I say, I think that is a blatant attempt to deceive the local people all over this province into believing that they have the responsibility for ferries on the river; the responsibility for education; the responsibility for the correspondence school and for the hospitalization scheme.

The Budget reveals expenditures for the year 1958-59 of \$130 million. That amount is to be voted by the Legislature; but the manner in which this is to be spent, I think, can be fairly closely scrutinized. I would point out, however, that the estimate of expenditures of \$131 million is only one phase of government activity. The Budget Speech makes casual reference to the other activities of the Government, activities in which they direct the operation of ventures involving additional sums of money totalling \$234 million. This, of course, is Government Crown Corporations. While we can closely scrutinize the expenditures of the Budget of \$130 million, we have other activities of the government today involving over twice the sum of the budget in other enterprises, and that is a field or phase of government activity that I think demands as close scrutiny of the members of the House as do the estimates in the Budget itself.

**Opposition Members:** — Hear! Hear!

**Mr. Danielson:** — Not in the public interest!

**Mr. Cameron:** — I would like to point out, Mr. Speaker, that the reports of these operations, I think, should be tabled in the House before the budget is brought down. You know, under the change now of having the Throne Speech Debate ended on the sixth or seventh day and the Budget Debate ended on the eighth day, and the present Standing Order that says these reports should be tabled within 15 days, could very readily get us into a position where the budget debate would be practically over before we would have an opportunity to see the reports of these ventures that involve a sum of \$234 millions. I am going to suggest that I think a change should be made in the Standing Orders to ask the Ministers to table these reports on such a date as they can be tabled before the Budget is brought down, in order to give the members an opportunity to scrutinize the operations of these industries. I think it can be done. I think most of the Ministers already have that information, because the Provincial Treasurer quoted some of the information in his Budget Speech.

I think that the cardinal principle of parliamentary procedure is expressed in the sentence 'redress before supply'. Surely then the reports of these Crown Corporations, involving huge sums of money, should be tabled before the votes on the Budget and the estimates are proceeded with.

**Opposition Members:** — Hear! Hear!

**Mr. Cameron:** — I want to report only one instance to show the importance of these reports, because the information in the reports is changed from year to year. Last year, you recall, Mr. Speaker, we had a lot of loose talk out in the country about the price of eggs, and I mentioned in the House that statements were being made that eggs were selling at 10 cents to 13 cents per dozen. The Minister challenged me on that statement as not being correct, and I read from his agricultural report that his own figures, tabled in his own report, showed the farmers received an average of 32 cents a dozen.

**Hon. Mr. Nollet (Minister of Agriculture):** — I corrected it, too.

**Mr. Cameron:** — He said he has corrected it. Indeed he has, Mr. Speaker, because I looked at the report tabled just the other day for the Department of Agriculture, and the Minister tabulated the millions of dozens of eggs that were sold by the farmer. He has that table in it, but he has removed the dollar value and now we have no way of knowing what the farmer got for his eggs.

You will recall too, Mr. Speaker, that a few years ago it was the routine of the Government to table the report of the Big River sawmill operation, another one of its industries. In investigating these reports, we noticed that the sawmill was running into losses each year of operation. We came along to the total lost in operation of this enterprise, and we pointed out that we should take a serious look at the operation of the sawmill, and that, if it continues to run up these huge losses, it would be in the public interest to discontinue its operation. You will note the next report tabled, Mr. Speaker, did not show any statement for the Big River sawmill. It was absorbed into the operations of the Timber Board; it is secluded into a private room, and we are denied the opportunity to look into its financial operation.

So I say the tabling of these reports is important. They should be, I think tabled before the Budget is brought down. The Minister knows the losses of his sawmill, but he doesn't care to reveal them to the people of this province, and they are hidden in the profits made by the Timber Board. That is the position of it today.

Since the reports have not been tabled on Power or Telephones, I can only deal in my address with the reports that have been tabled on the C.C.F. Crown Corporations themselves. Most of those have been tabled. I notice in the preamble in all these reports that reference is made to the adverse effect of operation due to increased salaries, increased costs of supplies, and dwindling markets. I mention this with some hesitancy because there is a lot of meat in the preamble of these reports, and if the Minister should decide that the preamble is not necessary in the reports next year, then we would have been denied the whole meat of the report itself. I don't know why the Government is so sensitive on these things. I have never seen them when they were so sensitive and so nervous about these reports as they are this year. I don't know if it is because of the general election that in being fought out in Saskatchewan, while we are in here; but I do know that if you as much as say 'Boo', they are ready to resign and run away! I don't put much stock in that, however, because I think of all the little boys who have run away from home, and who, when the shadows of the evening begin to lengthen and they think of the luxuries of home, have a change of heart.

Each year the Provincial Treasurer emphasizes in glowing terms the so-called profits of the C.C.F. Crown Corporations. However, when we look into the reports tabled so far, we find remarkable things. On page 11 of the Budget Address, the Provincial Treasurer shows the net profits of the C.C.F. Crown Corporations as some \$758,000. The interesting thing is that, of the \$758,000 the Timber Board accounted for \$500,000 and the Timber Board has advances of \$3,300,000. Its operations, of course, we know, are complete monopoly. The Government sets the price it pays to the producers of lumber, and it sets the price at which it will retail the lumber, and so the advances of \$3,330,000 to the Timber Board have returned a profit of 15 per cent. That is an excellent profit in any man's language.

However, a glance at the other C.C.F. Crown Corporations which must compete in some ways in the competitive market reveals a different story. These enterprises, representing some \$6,370,000, had a return of \$258,000. In other words, the return on advances to these was not 15 per cent, but was 4 per cent. This return of 4 per cent paid the interest on the borrowed money . . .

**Mr. McDonald:** — Not quite.

**Mr. Cameron:** — . . . but they have not contributed one nickel to the revenues of the province. If we add the other costs which should be allotted to these, we find every one of them actually is drawing monies out of the province.

The Provincial Treasurer stated that \$25 million of provincial funds would be spent for highways in last year's budget, and to arrive at the figure of \$25 million, he included the interest on the borrowed money, administration of the Highway Traffic Board, administration of The Vehicles Act, administration of the Gasoline Tax Act. He included every conceivable expenditure that might have a bearing on highways in order to build up his total of \$25 million. I have no quarrel with that, either, if the Provincial Treasurer wishes to assess to the highways the cost of the Traffic Board, and the collection of gasoline and vehicle taxes, it's all right with me. I think he has a good plea there, as a legitimate charge on highways. But why doesn't the Provincial Treasurer use this same system of accounting when he comes to the C.C.F. Crown Corporations?

**Mr. McDonald:** — They won't stand it!

**Mr. Cameron:** — Why doesn't he do the same thing in regard to them as he does in regard to highways. Why does he omit these debit items that are the legitimate expense of the Crown Corporations — interest charged on the moneys advanced to them, auditing expenses, salaries of the Planning Board, and the losses on the disposal of their assets? He doesn't do so, because, Mr. Speaker, these are large debit items, and if they were deducted, they would pull the rug out from under every one of the C.C.F. Crown Corporations.

I would estimate that millions of dollars of the taxpayers' money has been dissipated in the socialist enterprises, and that's why today we find the niggardly treatment in regard to schools, to municipalities, to mothers' allowances, and to other essential services — because of the millions that have gone down the drain in these socialist enterprises.

I just want to list, Mr. Speaker, a few of the losses, because you will recall the Government announced, not too long ago, that it was going to bury the Prince Albert box factory. When we are in the act of disbanding and trying to salvage what we can of this enterprise, which has been a complete failure, I think it is an opportune time to assess the failures to date. The tannery, it went broke — \$200,000 loss; the shoe factory went broke — \$82,000 loss. The woollen mill is bankrupt and gone. It had losses of \$830,000. The Fish Board is broke, gone, thrown overboard and left us a debt of \$400,000. The Lumber Mill is bankrupt. They are hiding it in the reports of the Timber Board, but I am certain it had losses totalling \$97,000 and they haven't revealed the figure since. The box factory went broke this summer with losses to the taxpayers of this province of \$325,000. The brick plant that is presently continuing to operate, has ran up losses of \$105,000. The Big River Mill that was built in 1951 at a cost of \$310,000 each year has run up

heavy losses.

I want to deal today with the announcement of the closing of the box factory. It ran into constant losses ever since the first year it was purchased by the Government. Thousands of taxpayers' money has been poured into this enterprise and, last year, in the Committee on Crown Corporations, when we were examining the financial statement of the box factory, I stated that it was my considered opinion that this whole thing was dead, the whole operation was bankrupt; it had been a failure and it should be stopped and given a decent burial. The Minister at that time challenged me on that statement, and he said, "I challenge anyone to stand up and demand that the box factory should be closed." That is the confidence he had in it, last year, in Committee.

**Hon. Mr. Lloyd:** — He didn't do it.

**Mr. Cameron:** — We asked at that time for a complete disclosure of its financial affairs. This, Mr. Speaker, was denied us in Committee. Later, in the summer, the Minister announced that the box factory was bankrupt, heavily in debt, and they were closing it up. But when the financial statement was tabled the other day, Mr. Speaker, we found that conditions were even worse than we had even anticipated. Its losses this last year were \$145,000. Its total loss to date is one-half million dollars, and the Government has poured into this venture almost three-quarters of a million dollars. When the assets on hand are sold, I am confident that the losses will be in the neighbourhood of three-quarters of a million dollars on the little box factory itself. This is the record of the small box factory at Prince Albert. It was owned, and being operated efficiently, by a private individual. The Government stepped in, expropriated it as a going concern, and since it has come into their hands, it has cost the people of the province three-quarters of a million dollars in losses.

**Hon. Mr. Kuziak:** — Now give us the story of the others.

**Mr. Cameron:** — You asked for the story of the others, sir? I am going to give it to you. Last year, in the Crown Corporations Committee, we asked the Minister in charge of the Sodium-Sulphate plant, "How is your new plant at Bishopric operating?" We noticed a press statement, the year before that, stated the Government was spending some \$500,000 in the acquisition of new sodium-sulphate plants, and we asked, "How is the plant doing? What is its tonnage of production? What does its financial position look like?" Do you know what the answer of the Minister was? It was: "We don't keep separate accounts for the plant at Bishopric." No, they didn't keep separate accounts, and now the plant at Bishopric is closed. What did they give as the reason for closing it? An

over-supply of production and dwindling markets! The competition had become too great, and it was forced to close down. Once again, the law of supply and demand took its toll. I don't know how the Minister of Agriculture (Hon. Mr. Nollet) could agree in the Cabinet to the closing of this plant, believing, as he does, that the law of supply and demand is a myth. He has stated that it is only a 'capitalist bogeyman'.

You will recall, Mr. Speaker, that this plant was purchased in 1954 at a cost of some \$350,000 to \$500,000. The Government was prepared to sink the additional one-half million dollars into the expansion of sodium-sulphate plants, because at that time they were enthused about the prospects of a pulp mill coming into the province of Saskatchewan. In the announcement they said, "We are going to invest another half-million in the purchase of sulphate plants. We anticipate that this great pulp mill, which is on the verge of coming into the province, will make such demands on the plants that we will have to increase our capacity to meet them." What is the story there?

**Mr. Loptson (Saltcoats):** — That's the myth!

**Mr. Cameron:** — It was discussed a few days ago — the history of the pulp mill. Now, in the initiation of the scheme, first the person who was going to build the pulp mill, the person about whom all these great press announcements were put out in 1956, in May, is gone. We have no record of him now, and the sodium sulphate plant that was to supply the market of the pulp mill is closed.

The only assurance that the Minister gave us last year in regard to the operations of the Bishopric plant was this: "I can only assure the Committee that it is operating well and that it is strong and healthy". Other than that we had no opportunity to gather even the slightest information as to the operation of the Bishopric mill. When it was closed, they even took the press to task for announcing its closure, because, they said, it will result in a loss of confidence in the Government operation.

We in the Opposition say that the operation of these enterprises are in the public interest. We, the people of Saskatchewan, are the taxpayers and we are the shareholders in these enterprises, and, therefore, we have the right to demand and expect a complete revelation of the facts pertaining to the operation of each and every one of them.

**Opposition Members:** — Hear! Hear!

**Hon. Mr. Kuziak:** — They'll never get it from you!

**Mr. Cameron:** — No, because you'll see that I never get it from you!

**Mr. McDonald:** — He wouldn't know, anyway.

**Mr. Cameron:** — In his Budget Speech, the Provincial Treasurer was castigating the Government at Ottawa for all its sins of omission and commission. We wondered why. We sat in this Legislature for years in which the Liberal Government at Ottawa was tied to the whipping post. Every evil, every drawback that we experienced in Saskatchewan, was attributed to the Government at Ottawa. Even the failure of the pulp mill was attributed to the Government at Ottawa.

**Hon. Mr. Kuziak:** — Tell us the story of the Insurance Office!

**Mr. Cameron:** — All the failures of agriculture were attributed to the Government at Ottawa, because, they said, they took off price controls. When we came to the problem of education, they threw up their hands and said, "The problem of education belongs to Ottawa, and we should have Federal aid for education. They should assume the responsibility for education, and not the Provincial Government". Today, they have put the responsibility on the municipalities.

**Mr. McDonald:** — It's going from bad to worse.

**Mr. Cameron:** — Then when he comes to the tax-sharing agreement, we expected him never to be satisfied with what the Liberals at Ottawa did, but we thought, at least, he might have been a little more kindly disposed to what the Conservatives were doing; but we find — lo and behold — they are tied to the whipping post, too. He says that the tax-sharing agreement is much less than the province anticipated it would be. Further, he said, "This air of uncertainty in regard to government activity, this announcement or increases by telephone, this lackadaisical method of doing business is a detriment to the province." I think he has some legitimate reasons for that statement, but I will disagree with him on this statement: "When we received our share of the Dominion-Provincial agreement, we found that the amount we got each year was revised. Each year we got less than the Federal Government had anticipated we would get at the beginning of the year." He did not tell, Mr. Speaker, that this tax rental agreement was an agreement, entered into by every province in Canada with the Dominion Government. The stipulations were laid out, read and explained, and the signatures signed, sealed and delivered.

That contract said that the Government of Saskatchewan together with the governments of the other provinces, agreed that the Federal Government shall pay on this basis of distributing monies to the provinces; 10 per cent of the personal income taxes, 9 per cent of the Corporation taxes, and 50 per cent of the Succession Duties. Further, they said, "We will take that portion of these taxes and throw it into one pot for the provinces;" and the provinces agreed that they should do that. It was a firm commitment made by the provinces that the Federal Government should do this. The Federal Government said further that: "In order to estimate how each province will share in the moneys in the pot, we will bring in a formula which says we will take the amount of personal income taxes, Corporation taxes and Succession Duty Taxes derived from the two richest provinces in the country" (that's fair enough) "namely British Columbia and Ontario".

That contract was agreed to, and that was the basis upon which this amount was to be distributed. Further the agreement said: "The share derived from the two richest provinces in these three fields of taxation will be divided by the total population of those two provinces, and this division will give us a rate in dollars and cents of so much per head, and then all other provinces will be paid so much per head of population on that basis." The Premier and the Provincial Treasurer agreed to that arrangement, because a firm commitment was signed. That is the basis upon which this Dominion-Provincial Agreement has been working.

Now, if they are not satisfied with the results which we get in the province today, their only alternative is to ask the Government for a new contract and a new commitment as to how these revenues should be shared. But let me say this, Mr. Speaker. When the Provincial Treasurer points to the loss or to the drop in the amount Saskatchewan receives, he forgets to inform the people of two important factors. We have this loss for three reasons. First, the profits of the big corporations are dwindling. These corporations (which the C.C.F. love so dearly, and which they say should be nationalized) are not doing as well now as they were before. Therefore, the amount they are throwing into the kitty is not as great. Secondly, when you come to divide up this amount, the province of British Columbia and Ontario have had tremendous growth in population. Therefore, when you take this total population which has tremendously increased, and divide it into the smaller amount in the pot, you've to come up with less per capita. Then, added to that, the population of Saskatchewan has decreased by 2,000-odd people. So we get it in the neck both ways — three ways. We get it in the neck because the corporations' profits are not as high as they were; because the populations of Saskatchewan has decreased. That accounts for the drop in the Dominion-Provincial grant.

When we are discussing these in the Budget and estimating our share of the revenue, I think it should be done in a business-like fashion because it is a business agreement, and it is an agreement which we wholeheartedly volunteered to sign, and accepted and it is under it that we are operating today. There is no use of us going and crying to Ottawa because the Corporations' profits are dropping. There is no use of us crying to Ottawa because the populations of British Columbia and Ontario are increasing at a tremendous rate. Neither is there any use going crawling to Ottawa because our own population here is dropping.

One point in which in this province can do something to keep our share of the Dominion-Provincial agreement up is to do something to check this draining off of our population year in and year out.

**Opposition Members:** — Hear! Hear!

**Mr. Cameron:** — It is a strange thing that every other province in the Dominion of Canada last year experienced tremendous growth in population, and that Saskatchewan is the only one not only that stood still, but that went back.

**Mr. Loptson:** — It's the only socialist province!

**Opposition Members:** — Hear! Hear!

**Mr. Cameron:** — I want to say this, too. If the Government had recognized this problem of loss in population and had initiated bold and aggressive steps to meet it, to keep our youth, our boys and girls, at home and to find opportunities here, we would not have had that loss of population. The only thing the Provincial Treasurer can say in regard to this problem in his Budget Speech is: "We hope that the interchange of population between provinces will give us a boost before June."

I think one criterion of opportunities for youth within a province is the population growth. Last year we did not get that anticipated growth. Last year, while Canada had the largest crop of babies in its history, Saskatchewan's births had dropped by 274. If you look the statistics of Saskatchewan you find, too, that we had fewer marriages last year than we had the year before. How can you increase marriages? How can you increase the birth rate, when everyone of our youth of marriageable age is leaving the province to find opportunities elsewhere?

**Opposition Members:** — Hear! Hear!

**Mr. Cameron:** — And talking about population. Let us look at the record compiled by provincial departments — not hearsay, but compiled and on the records of this House. Let us take a look at the last ten-year period from 1947 to 1957, the period after the war, the period when industrial development was expanding and the country was moving forward and capital was being made readily available. Let us look not at Canada, but let us look at the three prairie provinces. During that ten-year period, Manitoba's population increase was five times that of Saskatchewan's, and Alberta's increase was fifteen times that of Saskatchewan. We have heard a great deal of the so-called 'stagnation' in Saskatchewan under the rules of the Liberal Government, but permit me to point out, Mr. Speaker, that at no time during the last 25 years of Liberal Government did the population of Manitoba exceed that of Saskatchewan.

**Opposition Members:** — Hear! Hear!

**Mr. Cameron:** — And at no time during that last-quarter-century of Liberal rule did the population of Alberta exceed that of Saskatchewan. Saskatchewan forged ahead of the three western provinces in population, and she kept that pace and stayed with it.

**Mr. McDonald:** — Where are we now?

**Mr. Cameron:** — Where are we now? Well, I have just revealed where. In the past 10 years since this Government has came into office, our population stands in relationship to that of Manitoba and Alberta. It is at the bottom; not at the top.

**Hon. Mr. Lloyd:** — Shame!

**Mr. Cameron:** — Yes, it is. You may shake your head if you wish. Look at the population figures, and you will agree that my statement is correct. Look back to 1921, while you are looking, and pick the population figures for every year from 1921, and you will find that, during the last 25 years of Liberal Government, there wasn't one year that the population of either Manitoba or Alberta exceeded that of Saskatchewan.

**Opposition Members:** — Hear! Hear!

**Mr. Cameron:** — Instead of shaking your heads, you had better do a little homework, and you will find these figures are correct.

**Hon. Mr. Fines:** — Manitoba is still down.

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**Premier Douglas:** — Is my hon. friend suggesting that Manitoba's population exceeds Saskatchewan's?

**Mr. Gardiner:** — Sit down!

**Mr. Cameron:** — Now I want to go to the last five years. I stated, Mr. Speaker, that Manitoba's population has increased at a rate five times greater than that of Saskatchewan.

**Mr. McDonald:** — You cannot deny that statement!

**Hon. Mr. Fines:** — If that was correct, Manitoba would have been away ahead of Saskatchewan 10 years ago.

**Mr. Cameron:** — Now, let's look at the last five years. The Provincial Treasurer . . .

**Mr. Loptson:** — You're leaving, too!

**Mr. McDonald:** — If the Provincial Treasurer goes there'll be one less.

**Mr. Cameron:** — In the last five years (not the last 10), Manitoba's increase in population has been two and a half times that of Saskatchewan; and Alberta's increase in the last five years has been five times that of Saskatchewan's increase.

**Mr. McDonald:** — Deny that!

**Mr. Cameron:** — This unenviable record must be placed where it belongs — right on the doorstep of the C.C.F. Government.

**Hon. Mr. Kuziak:** — What about the previous 10 years?

**Mr. McDonald:** — We just gave you that.

**Mr. Cameron:** — I mentioned that education was recognized in the Budget Speech as the greatest problem facing Saskatchewan in 1958. I think, too, that in looking at this problem of education, we must realize that education needs to be looked at from a new approach, not only from the approach of the curriculum that is being taught, but the relationship between the courses taught in high schools and that in the university. That should be looked into. There is considerable talk everywhere today, and in the press, of the failures in universities. The university considers that the high school curriculum may be at fault and the high school officials say that the university may be at fault. I think that is a field of operation in which something can be done to narrow the step between high schools and the universities. Either we must decide in the high school in which direction we are travelling, and

which courses will be readily continued on into university, and prepare our students for that step, or else we should ask the universities to take a look at their courses and reduce theirs down to a level nearer to that of the high school. I will grant that it is a problem; but it is a problem that we should be giving serious consideration to.

That is not the major problem facing education. We have heard a great deal of talk in education about the new approach, the new curricula, the new philosophy that says that students should be coddled and lead into the liking of their subjects. We have found too great a discipline in the schools. We have felt in the years gone by discipline was too harsh. Today there is a trend developing across the provinces to revert back at least part way to the attitudes to education we had in the past. That, too, is a field in which we must strive to bring some unanimity, some common ground, some rearrangement between the philosophy of education today and that of the old tradition. That is another phase to look into.

However, something on which we should take immediate steps is the financial position of the schools in Saskatchewan. I have been saying in the House for the past three years that education in Saskatchewan is facing a financial crisis and I think that the increase in school taxes (1 1/2 million a year), the soaring arrears of taxes for schools, the increased burden of meeting the current expenses of operation and construction of classrooms, are proving that my statements are correct. Let us not kid ourselves. Today we are facing in Saskatchewan one of the worst financial crisis in education that this province has ever experienced. I think, too, that it is time the Government reassessed its whole attitude in regard to financial assistance to education. Education used to be looked upon, years gone by, as chiefly a responsibility of the local governments in regard to carrying the tax burden of supporting the schools. We must remember that these local school districts are no longer training boys and girls to take their places in the local community. They are training them for broader fields. They are training them to take their place in industry, in trade, in commerce, in government, in science, in education, and in all fields on the national and international level.

I ask this one question: is it fair, is it just, that we should ask these local people to pay 65 to 70 per cent of the cost of educating these boys and girls to turn them over to other industries on a national basis? Education today is a social responsibility. It is not the responsibility of the local school board. It is the responsibility of all the people of Saskatchewan, and all the people of Saskatchewan should be asked to bear their rightful share of this burden of education today. And in that, Mr. Speaker, I think the Government is failing. It has failed again to take the initiative.

in devising a program to move forward in the direction that would correct this financial situation.

We can no longer justify the relationship of cost between the province and the local governments today. Surely no one can justify the local districts carrying 65 per cent and the province 35 per cent. Any fair-minded person will agree that when you consider the tax base of the province in relation to the tax base of the local governments, that proportion of cost should be just in reverse. We welcome the increase in school grants, but I would say to my friends in the Government: before you go out and boast to the people that you have increased the school grants by \$3.6 millions, ask yourselves whether that pittance is sufficient to meet the crisis that we are facing today.

The Provincial Treasurer says that the cost of education last year was estimated at \$50 million . . .

**Hon. Mr. Fines:** — This year.

**Mr. Cameron:** — . . . and that the grants of \$20 million will be meeting approximately 40 per cent of the costs. I think his is fairly accurate. I have no quarrel with that. I would point out, however, that increased annual costs in education today are increasing at an alarming rate. We cannot hold that for any length of time, because it is going to drop again to 37, 38 or 36 per cent of the cost of education in the province.

We should not rest content on the statement that we think we have done our share, and, therefore, we can free ourselves of the responsibility because today education grants are paying 40 per cent of the cost of carrying our schools in the province.

I want to say in regard to education that in 1956, when the education grant received a fair boost, we chided the Government that the only grant which the schools received was that received from the education tax which came into the revenue of the province. They always opposed that statement; but if you look back to the tables which were reported in this House for the year 1956 you will find that, in the year, grants to education amounted to three-quarters of a million dollars less than the revenue derived from the education tax alone. Is that justice?

**Mr. Loptson:** — Shame!

**Mr. Cameron:** — Is this justice that the province should make a profit of three-quarters of a million dollars on the education tax, in order to use that for the general revenue of the province, when that 'stinking tax' (as they loved to call it

in those days) was placed on the people of the province for the express purpose of paying grants to the local school districts.

**Hon. Mr. Walker:** — They're overlooking the supplementary . . .

**Mr. Cameron:** — What is the purpose of increased revenues from Ottawa — These revenues from Ottawa that account for approximately 30 per cent of the revenues of the province? These grants unto the province, totalling 30 per cent of our total budget, are there to assist the province in meeting its responsibility in regard to these social matters. The Provincial Treasurer takes the stand that we are not going to use any more of the provincial revenue for education, but we will pass on to the local districts the \$3 million-odd increase under the tax rental agreement. So they say, "You carry your share; we'll ask the Federal Government to contribute, and its increased share we will allot to education".

We have talked, and I think with considerable pride, of the development of our natural resources. We point to the huge revenues that are coming into the Treasury Department as a result of oil and gas, and the other developments within the province. But I have yet to find anywhere in these estimates where any amount of that revenue has been allotted to education, or to carry the burdens of the local government. They said, "We will remove the tax when other revenues are found." I am not appealing for the removal of the education tax; but we can no longer justifiably claim, with \$25 million anticipated from mineral revenues coming into the treasury, that we have not sufficient funds to carry our fair share of the burden of education in this Province.

**Hon. Mr. Nollet:** — What other services are you going to cut? Tell us.

**Mr. Cameron:** — You ask, "What other service are you going to cut." That exemplifies the statement that I made back at the beginning, Mr. Speaker, that the biggest problem facing Saskatchewan is the problem of the Government . . .

**Opposition Members:** — Hear! Hear!

**Mr. Cameron:** — . . . Its problem to adapt itself to change; its inability to look itself at the crisis that we face and to initiate constructive measures to meet that crisis.

**Opposition Members:** — Hear! Hear!

**Mr. Cameron:** — Then the Minister of Natural Resources says, "What else are you going to cut". I think that problem of Government today — their inability to change their attitudes in keeping with the changing conditions of the province — should go to the head of the list as the No. 1 — problem in the province.

**Opposition Members:** — Hear! Hear!

**Mr. Cameron:** — I want to say, too, that I think we are correct when we insist that the Budget and all activities of the Government must be considered in their entirety and their whole. That is the only way in which you can gauge the emphasis that is being placed by the Government and its different departments on to the corrective methods to meet these conditions. When you consider the energy that is being spent in the operating of Government enterprises of \$234 millions, I think we are correct in our statement that it is a vital function of this Government today, and that we should look into those operations and gauge the activities of the Government in relation to both phases of operation. By doing that, you will find, Mr. Speaker, that the years of C.C.F. enthusiasm for Socialist enterprises for going into businesses, dissipated their energies in this direction to the detriment of constructive steps for solving the problems facing the people. That is evident, in there.

We are not going to criticize the Government if it should decide that it has erred, and that the best thing to do is to reduce these enterprises to that which is essentially a government function, such as Power and Telephones, and even Transportation, and some of the others. If the rest are persistently running up losses each year, they should be disposed of, much the same as you have disposed of the box factory — only five years too late.

**Mr. Kuziak:** — Go back to private enterprise.

**Mr. Cameron:** — The Minister says "go back to private enterprise." Well, I want to point out to the Minister that private enterprise today is the only system of enterprise that is bringing any development in this province. After playing around for four years with the idea of a pulp mill and not having been able to secure it, I understand the Provincial Treasurer, when he was asked the other day, if the Government now was interested in going into the pulp mill business because they could not seem to get an individual to come in and operate it, he said, "Definitely not. We believe that is a field for private enterprise."

**Mr. McDonald:** — Too competitive.

**Mr. Cameron:** — Mr. Speaker, there are lots of fields for private enterprise that this Government has invaded and found, to their detriment, that they got their fingers burned, and burned badly.

**Mr. McDonald:** — To the detriment of the people of Saskatchewan.

**Mr. Cameron:** — The people of Saskatchewan are paying off debt today. As revealed in its Budget, as revealed in the financial statements of its Crown Corporations, and in its attitude itself, it is evident to me this Government has not adapted itself to changes to meet the current problems of 1958.

**Mr. McDonald:** — It's out of touch.

**Mr. Cameron:** — It has dissipated its energy in socialist enterprises that have drained a heavy loss on the revenues of this province. It has failed to initiate measures needed to establish a sound basis for education, to check our loss of population, to bring relief to local governments, or in any sense to establish a flourishing economy.

If we are to establish an economy which would keep our youngsters at home, which will increase our population, which will induce private enterprise to come in and construct more factories, to develop more mineral resources, to bring more revenue to the province, in order to enlarge our tax base for the services of the people, then it is essential that the Government must change its attitude to many of the problems, and that the Government has failed to do.

I think it is evident from that, Mr. Speaker, that I have said sufficient to show I will not support the motion.

**Hon. Russell Brown (Minister in/c Sask. Power Corporation):** —Mr. Speaker, this its rather an unexpected pleasure. I did not expect the hon. gentleman opposite to run out of wind quite so fast. I will admit, however, what he has said, in my mind at least, has been in the category of the type of thing which we expect from that side of the House.

I don't think that I will waste any time trying to deal with some of the things which my hon. friend has said, this afternoon. I can recall having sat in this House for a number of years and listened to just about the same type of thing. In the past, I used to see fit to spend part of my time trying to correct some of the things which the gentlemen opposite have said.

**Mr. A. Loptson:** — You didn't make a good job of it.

**Hon. Mr. Brown:** — For one reason only. Because, I guess, in the early years, I had some hope of getting through to them and getting them to finally realize what they are trying to put across to the public of this province is not doing them, or this province, any good.

Instead, Mr. Speaker, I would like to take just a few minutes today to deal with something which I think is of major interest to this House and to the people of this province. I refer, of course, to the matter of power development and the activities of the Saskatchewan Power Corporation during the last year.

To begin with, I would like to remind the House that, a few days ago, mention was made of the fact this Government has submitted a request to the Federal authorities for some \$100 million in financial assistance for power development in Saskatchewan. I would like to refer just for a moment or two, to that particular request. I would like to point out that, in making this request to the Federal authorities, it was pointed out that the province of Saskatchewan was not asking for any special treatment, but only wished the same consideration as other areas of the Dominion apparently are to receive. I refer, of course, to the Maritimes, where we understand the Federal authorities are prepared to make \$100 million available over a four-year period.

It may be argued as a matter of fact, it has been argued, that Saskatchewan cannot be considered a depressed area in the same sense that the Maritime provinces are. Well, generally speaking, I would agree with that insofar as the economy of the province as a whole is concerned. The indisputable fact remains, however, that here in Saskatchewan, our basic and still our most important industry is depressed. I speak, of course, of agriculture.

I would remind you that, here in Saskatchewan, it is on the rural people of the province that the burden of comparatively high power costs fall because, as you know, the majority of the customers of the Corporation are in the rural areas of the province. I think it is quite safe to say that power-wise, Saskatchewan does face the most difficult situation of any province in the Dominion of Canada. I submit, then, that, while our province cannot be considered depressed in some respects, it can certainly be considered so, insofar as power development is concerned.

To support that statement, and as a matter of interest to the members of House, I would like to review, briefly, some of the main factors influencing the scale of investment, and the rate of investment in power facilities, which have a tremendous bearing on the cost of providing power service. I would like to compare them with the situation as it exists in some other provinces; particularly would I like to compare them with the Maritimes, where, as I have said, agreement, has already been reached for some special assistance.

Also, Mr. Speaker, I would like strictly for the benefit of my hon. friends opposite, to include the province of Manitoba in these comparisons, because, as all the hon. members are aware, my friends opposite love, at every opportunity, to hold up the province of Manitoba when it comes to discussing the matter of power service.

What are these factors to which I refer, which have a bearing on the rate of investment and the scale of investment in power facilities? Well, the first one is the distance between the economic sources of energy available in the province. Here, of course, we look upon coal in the south-eastern part of the province as our main source of energy, and we all know, there are some prospective sources of hydro power in the northern part of the province. Well, it is the distance between these sources of power and the load centres, such our urban communities and our farming areas which have a great bearing on the cost of investment in high-voltage transmission lines.

The second factor is the density of the customer load served, which is largely determined by the size of the individual community and the density of the population in the farming area. This determines the cost of intermediate transmission lines and the rural and urban distribution system.

Third is the rate of growth of the demand for the power. This determines the investment in new generating plants and in the increasing capacity transformer stations, and in your distribution system. As I have mentioned, in these respects Saskatchewan faces the most difficult situation of any province in the Dominion of Canada.

I would like, just briefly, to compare these factors as they apply to Saskatchewan with these factors as they apply in other areas in other provinces. First, the question of the mileage of transmission lines. I have some figures here, which we used in supporting our request before the Dominion authorities for special power assistance, and I find that in the province of Nova Scotia, the miles of transmission in that province amounted to some 9,900 miles. In New Brunswick the figure was 9,300. In British Columbia, which is another province, we understand, to which consideration is being given to provide some special assistance, the mileage of lines in that province amounted to 15,200 miles. In the province of Manitoba, which we hear so much about, I find that the total mileage of line in that province amounted to 34,232. In the province of Saskatchewan, Mr. Speaker, I find that we have the staggering sum of 44,500 miles of high-transmission lines.

Then, of course, the size of the community and the population density in the farming areas, as I have said, have a direct bearing on the cost of providing power. Taking a look at the total population per square mile of farm area, we find that in the province of Nova Scotia they have a density of some 160. In the province of New Brunswick the total population per square mile of farm area is 119. In British Columbia it is 197. In Manitoba it is 30.3 and here in the province of Saskatchewan it is only 9. But if you take the farm population

per square mile of farm area, it is 23 in Nova Scotia, 28 in New Brunswick, 16 in British Columbia, 7.4 in Manitoba, and 3.7 in Saskatchewan.

Then we turn to the matter of the rate of load growth, which I have referred to, which, as I say, has a great bearing on the cost of providing power services, and, looking at these same provinces, if we look at the increase in the number of customers (and this is for the period of 1951 to 1956), we find that in Nova Scotia they experienced an increase in the number of customers of 20 per cent. In New Brunswick the increase was 18 per cent. In British Columbia it was 25 per cent. In Manitoba it was 31 per cent. And in Saskatchewan, again we find the highest figure, 63 per cent increase in the number of customers served.

Another factor to be considered is the increase in the peak demand for power. Looking at that we find in Nova Scotia they experienced an increase of 61 per cent. The increase in the peak demand in New Brunswick was 32 per cent. In British Columbia they had a terrific increase, 100 per cent. Manitoba only experienced an increase of 33 per cent. But, Mr. Speaker, here in the province of Saskatchewan during that period, we find an increase in the peak demand for power of 119 per cent.

Those are the things which I said have a tremendous bearing on the cost of providing power services in the province of Saskatchewan. In Saskatchewan, the lowest population density in Canada, as combined with the fact that our energy resources (coal in the south and hydro in the north) being at the extreme north and south ends of the populated area, that means that we require the highest mileage of transmission and distribution lines per customer in the Dominion. This, of course, means an extremely high investment per customer served and per kilowatt hour delivered.

I might point out, too, that we also have in Saskatchewan the lowest per capita consumption of power for any area in the Dominion of Canada, and, (as I mentioned a moment ago) we have also the highest rate of growth of load anywhere in the Dominion of Canada. This growth, I might say, is expected to continue for the next decade, and that, combined with the high investment per customer, leads to a very high annual investment in power facilities in Saskatchewan. As hon. members know, it is running in the neighbourhood of \$50 million annually.

How does this investment compare with the probable rate of investment required by the provinces of Nova Scotia and the province of New Brunswick, the two provinces to which the Dominion Government has seen fit to offer some special assistance?

I mentioned the increase in the peak demand for power, which indicates that the rate in Saskatchewan is almost twice that for Nova Scotia and four times the rate for the province of New Brunswick. Since the demand per customer in the three provinces is almost exactly the same, it follows that the rate of expansion of all for Saskatchewan compared with the other provinces, will be practically in the same ratio. When you convert this to dollars of capital investment required per year, and if you make some allowance for greater transmission and distribution costs, which I have referred to, it is probable that, for every dollar per customer (and it works out almost to per dollar per capita) invested per year in the province of Nova Scotia, the province of Saskatchewan will have to invest some three dollars. For one dollar required to be invested in New Brunswick, Saskatchewan will have to find and invest some \$5 or \$6.

Not only is the rate of power expansion in Saskatchewan more than twice the Canadian average, the major development of our system is coming in a period of high prices and high interest rates. There apparently is not much we can do about the high prices; but the interest rate has an extremely important effect on power cost and the choices which one must make when considering the type of investment to be undertaken: for example, the choice of investment between steam plants and hydro plants.

Here in Saskatchewan we are ready to proceed with hydro plants, but a change of one per cent in the interest rate can make as much as a 10 per cent change in the cost of hydro power. Interest rates of four or even four and one-half per cent have proved acceptable for hydro development, but five or five and a half per cent make it much less attractive, and, in fact, almost impossible. The result of these higher rates, if in connection with long-term loans, is an almost permanent increase in the cost of power which no economies of operation can offset. Since interest is the major part of the cost of hydro power, long-term loans at reasonable rates are absolutely essential if the hydro resources of this province are to be properly developed, and developed at the proper time.

Because of the problems we face in power development, problems many times greater than in any other area of the Dominion — because these problems have such a tremendous bearing on the cost of providing power service to our people, this Government is firmly of the conviction that, the Government of Canada should be expected to offer similar assistance to this province to that they have offered other areas of the Dominion of Canada, by way of loans, of course. All we are asking for is a type of assistance similar to that which has been made available in the Maritimes, namely, long-term loans at reasonable interest rates.

Now, Mr. Speaker, I would like to spend some time dealing with the activities of the Corporation during the past year, and I am sure members of the House will be interested in the program which we intend to carry out during 1958 — a program which, as has been indicated, will cost somewhere in the neighbourhood of \$57 million. I would like to leave that until tomorrow. I would, therefore, request leave to adjourn the debate.

## SECOND READINGS

### **Bill No. 57 — An Act to amend The Vehicles Act, 1957**

**Hon. Mr. Fines (Provincial Treasurer):** — Mr. Speaker, this is a perennial Bill to amend The Vehicles Act. The principal change which is being made, this year, is made as a result of a court decision that was handed down. That is doing something that I feel we can very well leave with the courts now, that is — the right to determine the entire sentence.

I want to say very frankly, we have not been happy with the way in which previous section has actually worked out, whereby the court would carry out a part of the sentence, sentencing a man to a certain amount for violation of the Act, and then, later on, the case would be reviewed by the Highway Traffic Board and further sentences were handed out. I refer particularly to impaired driving. Under this, the courts would fine a man \$25 or \$50 and costs, and that is all there was to it. For years it was necessary for the Highway Traffic Board to suspend the licence, if we wanted to get these dangerous people off the highway. We found, for example, on examination of files a number of years ago, that in only three cases out of a hundred did the courts suspend the license for people convicted of impaired driving. I am glad to say that is changed. Today, the courts are carrying out their responsibilities in a manner that is very pleasing to all of us. It certainly is making our highways much safer.

What we propose to do here is to set out very clearly that the courts will suspend the licence as well as levy the fine. In these cases we are going to leave it entirely up to the courts. In other words, the Traffic Board will no longer sit in judgment on these cases; the matter will be turned over completely to the courts. I feel that it will eliminate a lot of misunderstanding. It will take the responsibility where it should always have been, and as I said in the House five or six years ago, I would like to leave it entirely to the courts, but until such a time as they were prepared to mete out penalties which would take these dangerous people off the road,

we would have leave it to the Highway Traffic Board. I think that time has come, and these amendments will enable us to carry it out.

There are a number of other minor amendments which we will be discussing in committee. I would, therefore, move the second reading of this Bill.

Motion agreed to and Bill referred to a Committee of the Whole at the next sitting.

**Bill No. 15 — An Act to amend The Minimum Wage Act**

**Hon. Mr. Williams:** — Mr. Speaker, there is really nothing new in this Bill. In The Minimum Wage Act we have provision whereby an employee is entitled to one week's notice if the employer wishes to discontinue his or her services after three months' employment. The amendment merely states that if an employee is entitled to more favourable consideration — that is, more notice, it might be writing; or it might be by law, by common law; perhaps an employee is entitled to a month's notice, or two weeks' notice — that the more favourable would apply. That is really all there is to this, Mr. Speaker, and with that I would move that Act No. 15 — An Act to amend The Minimum Wage Act, be now read a second time.

Motion agreed to Bill referred to a Committee of the Whole at the next sitting.

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Nollet:

That **Bill No. 24 — An Act respecting the Sale and Testing of Agricultural Machinery** — be now read the second time.

**Mrs. Mary J. Batten (Humboldt):** — Mr. Speaker, we have decided that the questions that we wish to bring up will probably be answered by the Minister, if he is given the opportunity. It would be more favourable to have the debate in Committee, when he has the opportunity to answer our questions.

Motion for second reading agreed to, and Bill referred to a Committee of the Whole at the next sitting.

## SECOND READING

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. Walker:

That **Bill No. 53 — An Act respecting Commercial Agents** — be now read the second time.

**Mr. L.P. Coderre (Gravelbourg):** — Mr. Speaker, I checked this Bill rather thoroughly and there are a few disagreeable clauses in it. One is the fact that it is taking away some of the rights, I believe, of the small urban centres insofar as controlling the businesses or taxing the businesses within small towns and villages. However, I feel that we can deal with that better in Committee.

Motion for second reading agreed to, and Bill referred to a Committee of the Whole at the next sitting.

The Assembly then adjourned at 10:00 o'clock p.m., without question put.