

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Fourth Legislature
13th Day

March 12, 1962

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

ON ORDERS OF THE DAY

CURLING CHAMPIONSHIP

Hon. A.E. Blakeney (Provincial Treasurer): — Mr. Speaker, before the orders of the day I would like to call to the attention of hon. members, in case it has escaped the attention of any of them, the fact that a rink from Regina — from the Regina Curling Club, the Richardson Rink has again won the MacDonald Brier for Saskatchewan.

Hon. Members: — Hear, hear!

Hon. Mr. Blakeney: — I am sure that the rink consisting of Ernie, Arnold, Garnet and Wes Richardson has brought credit to Regina and to Saskatchewan in winning the Brier and I am sure that they will bring equal credit to Canada when they go and play in the Scotch Cup, as they have now gone.

I know all of you join with me in extending our congratulations to them on their victory in Kitchener and our best wishes for their success in Scotland. I understand that it is the intention of the house to entertain the Richardsons, at some time, if they return to Canada while the house is still in session. I am sure we will all look forward to seeing them at that time and to extending our congratulations personally.

Hon. Members: — Hear, hear!

QUESTION: EXTENSION OF OUT-PATIENT BENEFITS

Mr. W. Ross Thatcher (Leader of the Opposition): — Mr. Speaker, before the orders of the day are called, I should like to direct a question to the Minister of Health. In announcing last week, an extension of out-patient benefits to include x-ray examinations, laboratory

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services etc. under the hospital services plan, did the minister consult with the hospital association, with the association of pathologists, or the association of radiologists? Or did he once again promise these services without consulting the people who must provide them?

Hon. Mr. Davies: — I will answer the last part of the question first Mr. Speaker. I don't think I have been in the habit of promising anything in this house that isn't done on the basis of consultation. In dealing with the first part of the question, the hospitals, as the hon. member may know, are the ones that sometime during the last year and I believe also during the previous year, suggested the extension of out-patient benefits for diagnostic purposes. Before the announcement was made in the house, the president of the hospital association was informed of our announcement. It is the intention of the government, as I intimated in my announcement, that all parties that are rendering the service, including the hospitals, and including the professional people concerned will be consulted before the benefits go into effect.

Mr. Thatcher: — Mr. Speaker, my information was that they were not consulted. I have a supplementary question.

Mr. Speaker: — . . . that one.

Mr. Thatcher: — All right, I will ask another question if you prefer Mr. Speaker. If the hospitals are to be required to provide these free out-patient services, will the present refunds for each hospital be raised, and if so when?

Hon. Mr. Davies: — It will not be required to pay for these benefits out of the existing budget. Monies will be provided for this purpose.

WELCOME TO STUDENTS

Hon. Russell Brown (Minister of Industry and Information): — Mr. Speaker, before the orders of the day I would like to draw the attention of the members of the house to a group of students in the east gallery, who I am awfully happy to see here today, a group of students from the very fine community of Nokomis. I am sure all members will join with me in welcoming these young people, and I hope they find their visit both enjoyable and educational.

BUDGET DEBATE

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

That Mr. Speaker do now leave the Chair (the house to go into Committee of Supply).

Mr. A.H. McDonald (Moosomin): — Mr. Speaker, when I took part in this debate on Friday last for a few moments, I neglected to extend to you my congratulations on having been elected as Speaker of this assembly. As you undoubtedly know, I didn't vote for you, but I hope that you can prove that my vote was wrong. I think that your performance to date in the house has been fair and I sincerely hope that you will continue to show the unbiased judgment that you have so far during this session. The task of a Speaker is not a light one and I am sure that both myself and my colleagues will give you all the support that we can in bringing about the best deliberations possible in this assembly.

I also want to welcome back to the house the Minister in charge of the Power Corporation, who has been absent most of the time since the house opened, due to no fault of his own but through illness, and I am sure that we are all pleased to have him back in the chamber and hope that his stay will at least be till the end of this session, if not longer. Seriously we are very pleased to see you back with us, and hope that your health has improved.

Hon. Members: — Hear! Hear!

Mr. McDonald: — I would also like to concur in the remarks that the Provincial Treasurer made this afternoon, with regard to the Richardsons in the winning of the Brier for the province of Saskatchewan. I am sure that if this house has the opportunity to entertain the Richardsons at a later date, that we will be performing a function that all people in Saskatchewan would wish us to perform. The Richardsons have brought great honour to Saskatchewan and to Regina, and I want to take this opportunity of wishing them well in their endeavours in Scotland.

I would also like to congratulate the Provincial Treasurer for the manner in which he delivered his budget address on Friday last. It is not easy for anyone to prepare and deliver a budget address and as this was the first one that was delivered by the present Provincial

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Treasurer I think he deserves the congratulations of members from all sides of the house.

Hon. Members: — Hear. Hear!

Mr. McDonald: — I cannot agree in a lot of the statements that were contained and a lot of the arguments that were advanced by the Provincial Treasurer, but I do think he made a good job of a poor case. He congratulated two of his predecessors and mentioned that the people of Saskatchewan were indebted to them. I certainly concur in that statement. We are indebted to his predecessors to the tune of about \$500 million, and I am sure that not only we members in the legislature, but the general public of the province of Saskatchewan are going to be called upon to pay for the extravagances and the waste of public funds and the main culprits being his two predecessors that he mentioned.

However, I agreed with an editorial that I read in the Leader-Post over the weekend with regard to the indebtedness in another sense of the word, that we as legislators and all the people of the province of Saskatchewan owe to all of those people who have performed this duty and this task for the people of Saskatchewan since 1905. I think without exception that the Provincial Treasurers of this province have made a great contribution, not only to the growth of Saskatchewan, but to the growth of Canada as well. Saskatchewan has led Canada from its very beginning in the provision of services, and I give a good deal of the credit to the Provincial Treasurers down through the years who are responsible for the raising and the spending of public funds in order to provide these services.

I mentioned a moment ago that there were some places in the Speech from the Throne, where we in the opposition agree with the Provincial Treasurer and with the government, and I want to refer from time to time to some of these services. I am one who believes in giving credit where credit is due, but also disagreeing where I think credit is not due.

Now the Provincial Treasurer at the opening of his budget address referred to the national economy and he said that the national economy has a very direct influence on the well-being of the provincial economy. This is a very, very true statement Mr. Speaker. The province of Saskatchewan, or no province can be prosperous unless the Dominion of Canada as a whole is prosperous.

Unfortunately for the last four or five years, Canada has not enjoyed the general prosperity that she enjoyed prior to these years. Consequently we in Saskatchewan have not enjoyed the prosperity that we might have had, had the conditions in Canada as a whole been better. We in the Liberal party and in the opposition believe that the general level of provincial prosperity also had a good deal to do with the prosperity of local government. I was astounded to read this year the annual report of the Department of Municipal Affairs, chastising certain local governments for the position in which they find themselves. I think that if this were fair criticism, then the Dominion of Canada, on many previous occasions ought to have chastised the government that sits opposite for the economic mess that they have created here in the province of Saskatchewan.

Opposition Members: — Hear! Hear!

Mr. McDonald: — I do not believe that our local governments can be held responsible as long as we have a government that sits in power in the province of Saskatchewan with the attitude of the administration that sits opposite. An administration that has refused to share the revenues that have been passed on to them by the government of Canada, to take care of the responsibilities of the province of Saskatchewan — they have not been prepared to pass on a fair share of this revenue.

Another statement where I agree with the Provincial Treasurer is the following statement and I want to quote: He is referring to the national economy:

“When the final reckoning of the gross national product for 1961 is complete, it will in all probability record a rate of increase over 1960 of about 2.5 per cent. In per capita constant dollar terms, this represents no increase at all.”

That is a true statement, and it doesn't worry me how much the present Prime Minister of Canada and his colleagues may go about this dominion talking about the increase in value of goods and services that have been produced in this country since his administration took office. If we take into consideration the natural growth of population in the country, and inflation, then there has been no growth at all. This is the great reason in my opinion Mr. Speaker, that we have huge numbers of unemployed people. This is one reason that our provincial government do not find themselves in a financial position

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to carry on all of their responsibilities. This is another reason that local governments find themselves in financial difficulties today. This is not only caused by the government of the province of Saskatchewan, but it is also caused by the present administration that sits in Ottawa.

The Provincial Treasurer went on and gave two reasons for the lack of an increase in the value of goods and services produced in Canada. The first one that he referred to was the decrease in farm income. He said that this was brought about chiefly by drought. That is also a true statement. If we look at farm income in western Canada, or in the province of Saskatchewan, which we are most concerned with, we find that the only reason that farmers had a decent income at all this year, was because they had to dip into their reserves of especially wheat, and put them on the market this year. The farmers were most hopeful that when they sold those reserves they would have a reserve of income. This hasn't happened, because of the loss of production this year caused by drought — they have had to dispose of their surpluses — most of them have disappeared today and they have no additional cash in their pockets.

We contend that this is a very serious position for our farmers to be in. The reserves have disappeared and yet they have no additional income. Their net income, if we want to talk about the only meaningful part of their income, the income that is left in their pockets after they have paid expenses is at an all time low.

Now the second reason that the Provincial Treasurer said that our growth was not as it should be was because private business — investment in private business was down again this year. This was the fourth consecutive year. That is true. We have had four years of Conservative administration in Canada and never in the history of this nation, under a Conservative administration have we had a growth in the nation. This is not confined to the last four years. This is the history of the Dominion of Canada being repeated.

Then the Provincial Treasurer went on and made a statement that I cannot agree with, and I don't think the majority of the people of Saskatchewan will agree with, and I am sure the majority of the people of Canada will not agree with. He said and I will quote:

“We are now paying for the unplanned and excessive expansion in physical plant capacity during the year 1956-57 which apparently did not correspond to real need at that time.”

Mr. Speaker, I couldn't disagree more with any statement than I disagree with this one. The expansion that took place in 1956-57 was not unplanned. The expansion that took place in 1956-57, I suggest was planned, and I suggest that if the government of Canada had pursued policies that would develop Canada, policies that would increase our trade, that this expansion of 1956-57 wouldn't have been unused, but that we should have had similar expansion each and every year from 1956-57 to the present date.

The first thing that Canada should have done back at that time was to accept Britain's offer of free trade. This expansion was provided in the anticipation of Canada supplying goods and services, not only to eighteen million people in Canada, but to provide goods and services to the free people of the world. Britain gave us the offer of a market of not eighteen million people, but of a market of eighteen million plus 50 to 60 million people in Great Britain, which would have given us a total market of around 75 to 80 million people. The expansion that was provided under a Liberal government would have been needed to provide the goods and services for 75 to 80 million people. Then Mr. Speaker, had the government of Canada, rather than try to keep Great Britain out of the European Common Market, pushed her into the European Common Market, we would be building and making provision today, planning our resources, to meet a demand of another 240 million people on the continent of Europe.

Opposition Members: — Hear! Hear!

Mr. McDonald: — Canada cannot become a highly industrialized nation unless we have huge markets available to us. The only way for those huge markets to become available is through the channels of free trade. I had hoped that all people in Canada would be anxious to see us enter into trading agreements with as many countries in the world as it was humanly possible and to bring about the freest trade that would be humanly possible throughout the western world. Mr. Speaker, I believe that it would not only be to the economic advantage of Canada for Britain to enter the European Common Market, but I believe that we as Canadians should be associated with that market. I have no doubt that the European Common Market will move from an economic union to a political union. Canada cannot be a direct member of the European Common Market on this account — I don't think it is practical or feasible for Canada to be a political partner of Europe or Great Britain. But wouldn't it be the greatest single action to preserve peace in our time if we found a political union of the free states of Europe.

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Mr. Speaker, we have been called upon on two different occasions in very recent history to settle troubles that have been brought about by the European nation which was carved into small pieces of pie. If these people can unite economically and politically, the main cause of world conflict and trouble in Europe will disappear. I only wish I had been here a few days ago when the hon. member for Regina, the lady member for Regina (Mrs. Cooper) introduced a resolution into this house, calling for a peace year. I would like to have said some of the things on that occasion that I have said now. I want to repeat, that I hope every member in this house will join with those people who believe it is in the interests of all of us, not only from an economic standpoint, but from a political standpoint as well, to see that Britain enters the common market and to see that Canada has access to those markets as well.

Opposition Members: — Hear! Hear!

Mr. McDonald: — The problem in Canada Mr. Speaker, is that to a very large extent, we have priced ourselves out of world markets. The cost of producing goods and services in Canada has become so high that many customers in Europe and throughout other parts of the world are not able to buy. Mr. Speaker, we have even advanced beyond this point. We are now in a position in Canada, where many Canadians cannot buy the goods and services that are produced in our own country. If these policies are allowed to continue that have brought about this condition, then you know the end result as well as I do Mr. Speaker.

Now some people are inclined to blame labour for these high prices. Some people are inclined to blame profits for these high prices. Mr. Speaker, I don't blame either one. Labour in this country must be paid a high wage. Our cost of living is so high that if you didn't have high wages our labouring class of people would starve to death. Our costs of production are so high that any profits must be high. You must have profits to expand industry, to build new plants, to create new production, to create new jobs. Mr. Speaker, the biggest bogey, as far as high prices in Canada are concerned is taxation. Big government — big taxes. The Premier refers to it as togetherness. Well this togetherness is all right on a cold night, but man it is expensive any other time.

Opposition Members: — Hear! Hear!

Mr. McDonald: — Mr. Speaker, one of the greatest complaints that we hear about today is the cost of drugs — the retail price of drugs. Almost any place you go in Saskatchewan or in Canada today, you have the people complaining about the high cost of drugs and I complain. Some people say — labour, the wages are too high. Someone else says the profits of the drug industry are too high. Mr. Speaker, the thing that is too high is taxes. Fifty-one per cent of the retail price of all drugs in Canada is taxation. We don't need a royal commission to investigate what is wrong with drug prices. All we need is a little less taxation. I repeat — 51 per cent of the retail price of drugs in Canada is taxation. Some people may not be so familiar with drugs so let us turn to another product — a loaf of bread. We all eat bread, and I think that the price in Regina at the present moment is 22¢ a loaf — too high. Some people say, well labour are getting too much. I don't agree. Some people say the profits of the bakery are too big. I don't agree. Again the big, bad man is taxation. Twelve cents of the 22¢ loaf of bread is taxes. Again over 50 per cent. We don't need a royal commission. What we need is less togetherness, and we wouldn't have much costs to bear.

Opposition Members: — Hear! Hear!

Mr. McDonald: — Now, another example of high taxes and what it is doing to our country. Just recently the government of British Columbia have taken over certain power companies in that province. I am not going to argue whether it is right or wrong. The argument I want to present to you is why did they take over private utility in British Columbia? The main argument was because of the amount of money in taxation, from the profits of these companies that was being paid in Ottawa. Money that belonged to the people of British Columbia being paid in federal taxes to Ottawa. On that point I cannot disagree with Premier Bennett.

Now, there are those people, and I received a letter this morning from one of them, there are many people concerned with the position in which our co-operatives now find themselves. As you know there are certain dividends from our co-operative movement that are held by the co-operative movement but not paid out in cash, but a dividend statement is given to the patron of the co-op, and the dividend that isn't paid in cash is redeemed by the co-op association, and in most cases used for expansion and further development of the co-operative association. Now there are people in Saskatchewan and in Canada who want to change this. There are

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people who want to tax the co-operatives both on the money that is paid out in cash, in patronage dividends and that which is retained by the co-operatives to expand. I cannot agree with that type of thinking. I have a letter from a co-operative association in Grenfell, in my own constituency, delivered to my office this morning and wanting to know if I would lend my support to their struggle. Mr. Speaker, I think that the tax arrangement that our co-operatives have with our national government shouldn't be interfered with. I think that this tax benefit should be extended to other industries.

The Financial Post of Monday last, a week ago today, on the front page agrees with my attitude, or I should say I agree with theirs. All we need do, is to look at the fantastic growth of the co-operative movement in Saskatchewan and in Canada and to realize what would happen to industry if they were given the same deal that the co-operatives were given. Unemployment would disappear over night; the gross national product would go up, if this policy were adopted and the policy of free trade — not by six or seven per cent as is forecast for this year, I would forecast it would go up 20 per cent the first year. The main reason that costs are too high in Canada is because taxes are too high in most provincial and federal levels.

I think it would be a fair estimate to say that 50 per cent of the people in our province would agree with me when I say that taxes are too high. I think 100 per cent of the people would agree with me when I say the cost of living is too high. But there are all too few people who realize the cause of the cost of living being too high. It is not labour. It is not profits. It is taxation that has put the cost of living to where it is.

One could go on and refer to some other policies that have brought about no growth in our country and brought about unemployment, but I don't intend to do that. I intend to stick to the provincial arena as much as possible this afternoon. I want to now refer to another statement that was made by the Provincial Treasurer during his budget address that I cannot agree with. He tried to define two different types of political movements and he said that politicians must choose between these two alternatives. The one definition, I would call ultra-toryism, and it reminds me of a fellow who attended a convention not too long ago — a political convention, and this is the party that the Provincial Treasurer explained is just sort of keeping the law and doing nothing

else. Well this chap who attended this national convention, and he had gone from one panel to another and listened to the delegates from all over Canada wanting the government of Canada to do this, do that, do the other thing for nothing, and don't increase taxes, but provide all these new services. This fellow became a little fed up so he went up to his room, and I happened to be in his room when he arrived and he said I have a new party and a new program. Somebody said to him, well what is your program? Well he said it is very simple. They said, what would you do for the farmers? He said, I'd let them farm. They said, what would you do for the workers? He said, I'd let them work. Well, what would you do about a national air policy for Canada? He said, I'd let them fly. Somebody else said, what is the government going to do? He said, carry the mail, and keep the roads clean. That is about the type of government that the Provincial Treasurer seems to think exists some place in the world today. I suggest to you that it did exist many, many years ago, in different parts of the world, but there is no such government in existence throughout the world, in my opinion, today.

Then the second type of government that the Provincial Treasurer referred to, I suggest to you is ultra-socialism. Socialism to the extreme, and a far different type of socialism than even has been practised for the last few years in Saskatchewan. You will recall that when Mr. Douglas sat in the front seat, and Mr. Fines was his seat-mate they used to advocate a government that gave consideration to three types of enterprise. Government enterprise — co-operative enterprise and free enterprise. We used to quarrel with the leadership of the NDP or the CCF, or whatever you want to call them, at that time and said that their emphasis was far too strong on government enterprises, and there wasn't enough emphasis on free enterprise and on the co-operative enterprise. The co-operative enterprise, we said was being interfered with by the administration that sits opposite. We asked that the co-operative enterprise should be given their freedom and not have their activities curtailed by the administration that held office. But now we've had a change in leadership in the new party in Saskatchewan, and we've had a change in the Provincial Treasurer. The co-operative enterprise and free enterprise seems to have disappeared altogether, and now we have total emphasis on government enterprise.

Opposition Members: — Hear! Hear!

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Mr. McDonald: — All one needs to do to substantiate what I have said this afternoon is to read the budget speech. I am afraid that many of my friends that sit opposite haven't read the budget speech. They probably listened to the Provincial Treasurer deliver it, but I suggest that they take it home and read it and re-read it and if what I said isn't true, then I am afraid they don't understand the written word.

Good budget — the budget to bring about complete socialization of our economy is the only thing I can think it would be good for. Then the Provincial Treasurer went on and he attempted to substantiate his theories of what the government should do or should not do for its people by a certain professor down in the United States, a gentleman by the name of Walter Heller. Now, I want to ask the Provincial Treasurer a few questions about Walter Heller. I want to know if he knows who this man is? I want to know if he has ever endeavoured to find out whether this man's theories and principles have been accepted or rejected over the years? I want to ask the Provincial Treasurer if he has ever read or heard tell of the Hansen-Heller report? I don't think he ever has or he wouldn't have made the statement in this house. I want to ask the Provincial Treasurer if he agrees with the Hansen-Heller report? I would like to have answers to these questions and I hope the Provincial Treasurer will give them to us.

This Hansen-Heller report was prepared in 1946 and was kept under wraps as a secret document until 1961. What was this report prepared for by the gentleman that the Provincial Treasurer used as his authority? This report was prepared by Mr. Hansen and Dr. Heller, making certain recommendations to the German government for the rebuilding of Germany after the last world war. What happened? Dr. Erhard, who was the Economic Minister of West Germany at the time and still is, said that he would rather resign than to implement the recommendations of that report. As a matter of fact he threatened to resign. He said that the recommendations of Dr. Heller would ruin Germany. Dr. Erhard didn't have to resign. He threw the report in the waste paper basket and the Germans completely disregarded the recommendations of this report and went on their own sweet way to prosperity.

No one can deny the prosperity that has taken place in Germany since the last world war. Their progress and prosperity has been unequalled in the entire world in that period 1946 to the present date. They vowed that they would never engage in inflationary government

spending or any inflationary monetary policies which would rob their people of their savings. The government said, we will resign before we will implement these policies. Dr. Erhard said what was needed was a sound money policy. I want to quote another thing that he said, and I hope my hon. friends will pay attention, and I quote:

“We decided upon, and we introduced, the old rules of a free economy. (I hope my socialist friends heard that) — the old rules of a free economy. We abolished practically all controls for allocation, prices and wages and replaced them with a price automatism controlled predominantly by money.”

This is the theory that was adopted in Germany. The theory that the Provincial Treasurer was throwing in the waste paper basket — disregarding. And what has happened in West Germany? The greatest prosperity of any nation in Europe; less inflation than any nation in Europe; most rapid industrial expansion of any nation in the world; investments expanded rather than curtailed; full employment rather than thousands of unemployed. As a matter of fact, the neighbouring socialist countries of West Germany had to build a stone wall to keep the unemployed workers in their socialist countries, to keep them from going to West Germany . . .

Opposition Members: — Hear! Hear!

Mr. McDonald: — . . . for full employment. Thousands of immigrants from all over Europe, where they were free to travel, have gone into West Germany and become employed. Perhaps there is a lesson here for all of us, and I would recommend for the consideration of the Provincial Treasurer and his associates that they give some consideration to study what has happened in West Germany. Not under an ultra-tory government; not under an ultra-socialist government; but under a government that has gone right down the middle between these two extremes. I suggest you have government that has adopted policy with regard to the financial expansion, with regard to the industrial expansion, with regard to full employment — the policies that the Liberal government in Saskatchewan would adopt.

Opposition Members: — Hear! Hear!

Mr. McDonald: — Mr. Speaker, let no one on the other side of the house say, oh well they have concentrated in providing

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stoves and chesterfields for their people, as the Provincial Treasurer seems to think Saskatchewan people ought not to have, and the expensive social welfare. The German government have provided a contributory pension plan at age 65 to all people in West Germany. They have had a national hospital, medical, surgical, optical and dental program for the last 90 years. For the last 90 years! This was not brought about by socialism. This was brought about in a free government.

Mr. Berezowsky: — . . . social democratic government.

Mr. McDonald: — There is no amount of dollars on the face of the earth piled into any nation that could bring about those results without the active participation and the proper policies at home. Millions upon millions of American dollars have been poured into socialist nations in Europe and Asia to what avail — to what avail, I ask you Mr. Speaker? There is no socialist nation on earth that have made the progress that these people have made, after being devastated by war only a few short years ago.

The point that I wish to make is that a free society can provide more and better things for themselves, than can any society that is dominated, regimentated and taxed to death by big government.

Opposition Members: — Hear! Hear!

Mr. McDonald: — There are one or two places that I, and I am sure my colleagues agree with the Provincial Treasurer. The one instance was on crop insurance. I have said before in this house and I want to repeat it today that I do not believe any provincial government can provide under their own efforts a worthwhile and workable crop insurance program. The history of this province has demonstrated that if any provincial government were foolish enough to endeavour to insure our farmers against drought, grasshoppers, cutworms or any other natural calamity that we face from time to time, it would bankrupt the government. Any government in Ottawa that thinks for one moment that we can shoulder this burden and this financial responsibility, don't know very much about this country. There is only one way that we can have a workable crop insurance program, and that is that it should be a national program, paid for out of national money. Sure we will do our share in Saskatchewan, but we cannot

carry this load. And I am not blaming this government. This is one place where when Toby Nollet hollers to Ottawa, I will clap right along with him and help him holler.

I hope that what I have said this afternoon in this regard will indicate to the people of Saskatchewan that that is my vote and my feelings.

Another place that I can agree with the budget in where it proposes to give capital grants to rural telephone companies. But I do have a complaint. Mr. Speaker, this program is not workable — that is the program that we have today. I hope that any changes that are made in this session will make it possible for all rural telephone companies to benefit under this legislation. Any legislation that discriminates between togetherness in a big way, and togetherness in a little way, in my opinion is bad legislation. We have said to the rural telephone companies that if you are big enough we will give you a grant, but if you are small enough you won't get any. This is unfair. My own telephone company cannot qualify for these grants. There are hundreds of telephone companies in Saskatchewan that have been unable to qualify for them up to date. I hope that this government will on this occasion at least correct the mistakes they have made in the past. Make the grants available to rural telephone companies — period — never mind what size they are.

Then the water and sewer program. Nobody can complain with the water and sewer program. It is a good program, but as I indicated Friday last, there are needs in Saskatchewan at the moment that far exceed any water and sewer program. There are many farmers in Saskatchewan that are melting snow today for their livestock. They are melting snow for human consumption. What is this government doing about it? They have no more idea where to look for water in this province than I have, and I spent a fortune looking for it and I haven't found it yet. This government has a responsibility to provide water, or to help in providing water to the rural areas in this province — both urban and rural.

I notice now where they are going to go out and see if they can find some more water. Man oh man, they have been here for twenty years — if they don't know where the water is now, I don't expect they ever will. Yes — the cows are thirsty, and anybody that has ever melted snow to keep a herd of cattle knows what I am talking about.

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Another place we agree was when the Provincial Treasurer announced an increase of \$2.8 million in school grants. The only thing is this Mr. Speaker, this \$2.8 million will not keep pace with the ever-increasing cost of education. Therefore, in the coming fiscal year property tax payers are going to have to find more money for education than they found last year. I am confident that every property tax payer in the province of Saskatchewan would agree with me when I say that property taxation is at a peak where it cannot be allowed to go any higher. This is not only true of the farmer, this is true in the urban centres as well. I would have hoped that this government could have seen fit to increase school grants to the extent where it would not be necessary for local governments to make a greater contribution than they made last year. I would have hoped that this government could have seen fit, in this time of peril not to increase taxes for any purposes. I have in my hand a copy of the World Spectator which is a Moosomin paper in my constituency, and headlines — it has tax rates cut by two mills. I suggest to you that the town council and the town of Moosomin have got more financial sagacity than the people who sit opposite. It might be a good job if they get out on the road and let somebody in here — we could get them from our municipal councils to take over — and give us a better administration than this government.

Opposition Members: — Hear! Hear!

Mr. McDonald: — This is the announcement that ought to have appeared in Friday's paper. We should have announced tax decreases. But I am going to come to the tax increases that were announced, not only last Friday, but were announced during the session of last fall and even prior to that.

Since the election in 1960, taxes in Saskatchewan have increased on the average \$34¼ million a year. Thirty-four and a quarter million dollars. This is an increase of \$38 for every man, woman and child. This is an increase of \$152 for a family of four, or an increase of \$228 for a family of six. You know what conditions are in Saskatchewan and in Canada and I am sure you will agree with me that the people of Saskatchewan haven't this tax paying ability.

Now, how have taxes been increased? I see some of my hon. friends across the way making a few notes. Well I hope they make some notes of what I am going to say now. The retail sales tax has increased by \$14 million —

right . . . right. The gasoline tax has increased to the tune where it is bringing in \$3.8 million more — correct. Individual income tax has increased — or at least the new tax has been put on that will bring in \$3.6 million a year. Corporation income tax has been increased to bring in \$1 million a year. Hospitalization tax increased — \$3.5 million per year. Telephone charges increased to bring in \$1.6 million per year. Liquor profits increased to bring an additional million dollars per year. A new medical insurance head tax to bring in \$6 million. Mr. Speaker, this totals \$34½ million. Now, when I first mentioned \$34½ million, some people opposite shook their heads. If there is anybody that can disagree with the amount that I give to the house, let him stand in his place and say so.

You know, Mr. Speaker, they weren't contented to just increase these taxes from January 1st, and some members on this side of the house have complained about these increases coming into effect January 1st last, when some of the services have been announced they will not come into effect until July 1st. Some of these taxes came into effect on November 1st — not January 1st, and you know it is funny the people they segregated to pay the tax from November 1st instead of January 1st — the friend of these people who sit opposite — the poor old farmer. People like myself. We are the ones that are going to have to pay this increased tax from November 1st and not January 1st I haven't heard anyone deny that one either. I wish they would because I have an answer for them.

Now, Mr. Speaker, these increased taxes I have indicated bring an additional \$34½ million in annually. The present Premier and the Minister of Public Health and their predecessors have told us that they will only need \$20 million for their new program of public health — whether we ever get it or not, I don't know. Whether it will cost \$20 million or not, I still don't know. But they have said they do not need this total of \$34½ million to pay for medical services. They only need \$20 million of it. Well there is \$14½ million left. Now if we subtract from that \$14½ million the \$2.8 million to the education grants which are being increased by \$2.8 million — this leaves \$11.7 million, that could be used for other government spending. Mr. Speaker, what I complain about and what my colleagues complain about is the expenditures that this government makes in such a way that it is of no benefit to the public of the province of Saskatchewan.

Opposition Members: — Hear! Hear!

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Mr. McDonald: — If my friends across the way would only open up public accounts — if you have it on your desks open it now and we'll go through it — if they would just take out public accounts and look in each department of government at the administration costs — subtract the administration costs away from the total expenditures of any department and you haven't got too much left. Administration costs have got to the point in Saskatchewan where they are ridiculous. If you go through public accounts and look at the trips that people opposite have taken around the world and elsewhere — paid for at government expense and this is also ridiculous. If you look through public accounts to the tea parties, dinners, and other entertainment that has been provided by my friends opposite for some of their friends — this has also reached the point where it is ridiculous.

If you look at public accounts in other documents — crown corporations and other pamphlets, and the expenditure of public funds on NDP political propaganda — this is also ridiculous.

Opposition Members: — Hear! Hear!

Mr. McDonald: — . . . Paid for by the taxpayers of the province of Saskatchewan. Men and women throughout the province of Saskatchewan whose tax dollars are being used to print and distribute NDP political propaganda. Then in addition to that, the legal costs endeavouring to prosecute some of their old side-kicks has become ridiculous.

Opposition Members: — Hear! Hear!

Mr. McDonald: — One hundred thousand dollars to try and prosecute one of them. Well I suggest that they prosecute them all. There isn't enough money in the treasury.

Mr. Speaker, our people today, many of them unemployed — many of them on social aid — others working on relief projects, farmers with their incomes cut in half, have no relief from taxation this year. The Premier has given them the privilege of paying \$34½ million more than they paid last year. When we have 27 thousand people unemployed — many, goodness knows how many on social aid, and social aid is a new name for relief — winter works program which is another name for relief. Mr. Speaker, this is no time to increase taxes in Saskatchewan or any place else, but according to my friends that sit opposite — it is a privilege to pay taxes.

Many of these people, Mr. Speaker, are paying their taxes and suffering and doing without the necessities of life to pay these taxes. There are people in this province Mr. Speaker, who are not frittering their money away, as the Provincial Treasurer seems to think they are, or buying a new stove or a new chesterfield suite every year, but there are people in this province today, who haven't enough to eat. They haven't enough clothes on their back. They haven't adequate heat and shelter. Yet, it is a great privilege to get together and pay taxes.

The best way to eliminate this would be for this government to prorogue this house here and now and call an election.

Opposition Members: — Hear! Hear!

Mr. McDonald: — Let's get together in an election campaign. I challenge you to do it now, and you are one of the ones who won't be back.

When the Provincial Treasurer delivered his budget in this house and sent his propaganda pieces of paper around to all of the newspapers, radio, television and everybody else he left the impression that the expenditures of this government were \$17¼ million. Mr. Speaker, that is only half the expenditures, not quite half, \$37¼ million, that received headlines in our newspapers, splashed all over our television sets, and over the air. It is only a small part of the capital expenditures that are included in budgetary expenditures, about \$21.5 million.

Mr. Speaker, I have gone through public accounts estimates and all other documents over the weekend endeavouring to bring this information up to date, and I may have missed some because it is not easy, as I said at the outset at the beginning of my remarks, for the Provincial Treasurer to prepare and deliver a budget address in which he has several months to do it, and I can assure him that it is not very easy to criticise the budget when you have two days to prepare yourself for it. So I may have left out some — it could be much larger.

But then, Mr. Speaker, in addition to this \$21.5 million there is \$88.5 million of capital expenditure given in estimates as disbursements under non-budgetary expenditures. There is \$67 million received and spent and referred to as disbursements. The items making up this total are scattered through the estimates

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of different departments. Much of this total is made up of payments received from our senior government at Ottawa, and I can refer to some of the figures. First of all we have the hospitalization grant — second operation and building grants for vocational education — third the federal government's contribution for old age assistance — fourth interest and other payments in the public debt — fifth \$2.5 health grants for eight different purposes, the amount of this grant is not even given in estimate, but for the year 1960-61 it will be \$2.5 million. Seventh the hospitalization head tax of \$12,900,000 — 37½ per cent higher than it was the year before. Then there are new health taxes of \$6 million. There is no reference to any of these amounts in the estimates. These expenditures total \$177 million which if you add to the \$175 million referred to in the budget speech by the Provincial Treasurer, you come out with a total expenditure of \$351 million, and as I say I may have missed some — quite possibly, but the minimum expenditure of my friends opposite will not be \$174¼ million but will be \$351 million.

Mr. Speaker, the last Liberal government that sat in these chambers had one tenth of that amount of money to spend, \$33 million. If we were getting dollar value for this expenditure of a third of a billion dollars, man this province would be known for abundant living. The only thing we are known for now is abundant taxation.

Opposition Members: — Hear! Hear!

Mr. McDonald: — Now let us go for a moment to the hospitalization tax — that political football. It gives us quite interesting reading to go back and trace the hospitalization tax over the last several years. There is always an increase in taxation after every election. Sometimes there has been a decrease before an election. The abundant living from a decrease in taxation generally lasts for three months and then we switch over to abundant taxation which goes on forever. And you I am sure will agree with me Mr. Speaker, when I say that without exception the hospitalization tax has been increased after every provincial election since its inception in 1946. But in addition to the tax we have had some new moves recently, and I don't think many of my friends opposite pay much attention to them. In 1958-59 the federal government came into this hospitalization plan under legislation that was passed by the St. Laurent Liberal government. As a result of this, this socialist government that sits opposite have had to make less

contribution out of the general revenues of Saskatchewan towards hospitalization than they would have had if the federal government hadn't come in and began to pay a share of Saskatchewan's hospitalization.

Mr. Speaker, you will recall with me I am sure that just after the last election the government that sits opposite increased the hospitalization tax by 37 per cent, but just a few short months before that they decreased the hospitalization tax. In other words they decreased the hospitalization tax in 1959, went out to the people in a general election in 1960 and said what good people we are, but when they came back into the chambers the day after the ballots had been counted, back up went the taxes . . . not by the amount they had decreased it prior to the election, but increased it by a total of 37 per cent. Is this more abundant living Mr. Speaker? No, this is more abundant taxation.

Opposition Members: — Hear! Hear!

Mr. McDonald: — Before we received any monies from our national government to help pay for hospitalization in Saskatchewan, hospitalization was paid for from three sources of taxation — the hospital or head tax, was the first form; then there was part of the retail sales tax which went to pay for hospitalization; then the balance of the money that was necessary was taken out of general revenues of the province to pay for hospitalization. In 1957-58 there was \$7¾ million taken out of general revenues to pay for hospitalization, but then as I mentioned a moment ago the federal government came in and paid part of our hospitalization, so that by 1960-61 the provincial contribution out of general revenues decreased down from \$7¾ million in 1957-58 to \$3¾ million in 1960-61. In 1961-62 it is estimated that the contribution from general revenues would be \$1 1/3 million. Now one would think that because of the increase in revenue some \$3½ million from the increase in hospital rates for 1961, and if the Minister of Finance for Canada is right in his calculations, then we would need no contribution at all from the general revenues of the province of Saskatchewan to pay for our hospitalization. This means, Mr. Speaker, that we are going to have between \$7 and \$8 million, that used to come out of general revenues, and to be used for hospitalization is no longer needed so there is an additional \$7 or \$8 million available, but despite this we have had an increase in taxation of \$34½ million. There is one thing this government will become famous for when history is written, and that is to be the greatest tax collectors on the face of the earth.

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I want to turn for a moment to the debt, just to show what has happened to the province of Saskatchewan because of these high taxes and waste and extravagance. Mr. Speaker, the government that sits opposite claim they have had balanced budgets up until the last two or three years. Mr. Speaker, what did they do to balance their budget? Mr. Fines was faced year after year with a deficit budget, so he used to take a little more money out of the liquor profits each year and the revenue account and come up with a balanced budget. This is utter nonsense Mr. Speaker. Practically every budget that this government has presented to this house would have been in balance if they hadn't juggled the figures. They kept yanking away and taking a little more of the liquor profits into a revenue account until they had them all in and still couldn't balance the budget. Then the predecessor of the gentleman who is now the Provincial Treasurer, namely the Premier, he and Mr. Fines would get together and they went over and decided they would take poor Charlie William's profit out of the telephone corporation and balance the budget. Mr. Speaker, they got in a position where they couldn't balance it by taking all of the liquor profits in so they took the telephone profits in, and that saved their bacon for a year or two, but then they got themselves in a position where they couldn't balance it with all the profits of both the liquor commission and the telephone corporation in, so there was only one thing left and that was the Power Corporation. Now I understand the minister in charge of the Power Corporation has had a broken wrist and I presume he got it from punching somebody in the nose and saving his profits from going into the revenue account.

Opposition Members: — Hear! Hear!

Mr. McDonald: — Mr. Speaker, in the year 1960-61 the Provincial Treasurer tells us that we had a deficit of \$2,400,000. That is not quite in accordance with the facts. If you take into consideration the telephone profits that were taken in, the deficit in 1960-61 wasn't \$2,400,000 it was \$4,035,000. Then we go to 1961-62 and here Mr. Speaker we didn't have a deficit of \$400 million in taking into consideration the telephone profits that were stuck into revenue accounts, we had a deficit of \$5,950,000. And if you want to go to the year 1962-63 the Provincial Treasurer estimates that the deficit will be \$2,392,000. Without telephone profits being taken in the deficit is \$5,650,000.

Now on Friday last I said this budget would be remembered for four things; it provided the highest taxes

in history; it provided the highest debt in history; it provided the largest spending in history; and it provided for the highest interest payments in history; and I said it provided for the second largest deficit in history. Mr. Speaker, I was wrong — it provides the highest deficit in the history of the province of Saskatchewan. Never even in the heart of the so-called dirty thirties did we have a deficit of this magnitude. Mr. Speaker, no one can take the profits of a corporation and put them into revenue account to balance a budget and not bring about certain end results. The telephone company, because its profits have been taken away from them, is going to have to borrow more money to carry out their program next year. Yes and my hon. friends will probably raise the rates as well. I wouldn't doubt. Consequently the power and telephone corporations will borrow more money next year in the contracting to the corporations. The government's debt figures will have to go up, but the telephone company figures go up just the same. You know these people finance the government like Wacky Bennett.

Government Member: — I resent that.

Mr. McDonald: — This is exactly the attitude of these people that sit opposite. The Provincial Treasurer tells us the other day and the net debt is \$25 million, and yet he quotes \$42 million of revenue in this province. Now what about the public debt?

We see what is happening, because this government has decreased values — good economic policies that have been adopted by the province of Saskatchewan for many years before this government came into power, and are still practised by the majority of the governments in Canada. Other provinces don't find themselves in this position.

I asked some questions in this house a few days ago. I asked what was the funded debt of the province of Saskatchewan — \$464¼ million; what is the treasury bills debt — \$25.5 million; contingent liabilities of \$15,068,000, making a gross debt Mr. Speaker of \$504,906,000. We have sinking funds of \$52,369,000 which makes a net debt Mr. Speaker of \$452 million. That is what the people of this province owe. That is what you and I, and the citizens of this province are going to have to pay back.

Now the Premier when he is on radio and television likes to use the net debt figure that he arrives at,

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using a document that is released by Wood Gundy and Company, and I have the document in my hand. When he tries to arrive at the per capita debt of the province of Saskatchewan he uses the debt after subtracting borrowings of power and telephone. Mr. Speaker, the per capita debt of the people of the province of Saskatchewan according to Wood Gundy on page 26 is \$515 per head. Mr. Speaker, this is the highest average per capita debt of any province in the Dominion of Canada. The people of this province owe more than the people of any province in Canada.

Now let us turn to another part of the budget speech — this old bogey of crown corporations. You know, he leaves the impression that the crown corporations make money. Mr. Speaker, I am going to place on the records today figures that nobody can dispute with regard to crown corporations, that they haven't made a five cent piece for the people of the province of Saskatchewan.

Opposition Members: — Hear! Hear!

Mr. McDonald: — And these documents that I use to substantiate my statements are not my figures or my documents, these are documents that were tabled in this house, and are the responsibility of the ministers of the province. I will refer to two of them right now. One of them is the Saskatchewan Government Insurance Office statement, tabled annually, and the other one is this propaganda document which is paid for at public expense by the taxpayers of Saskatchewan. It is not an audited statement, nothing can be further from the truth. This is nothing but a piece of political propaganda.

Government Members: — What is the title?

Mr. McDonald: — What is it? Those people opposite, you know, they just take anything for granted that the minister tells them. What is this document I am reading?

Government Members: — Well name it — name it.

Mr. McDonald: — Summary of Results of Crown Corporations. It is the only white document in the library — you can recognize it — produced from 1945 to 1960. Now a few years ago, the then Provincial Treasurer, Mr. Fines, prepared the original of this document. It was the first volume, and I can remember when he came into the house and tabled it. You know he used to swagger — he

was the only man I ever met who could swagger sitting down. He said he was going to end this argument for all time, of whether crown corporations had made a profit, he said here are the facts, and he went on in a long tirade and finally this little book was on the table. This document gets very interesting . . .

(inaudible)

. . . and from that day to this day we have paid considerable attention when these documents have been brought in to be tabled, and the one this year has not been tabled so far, but I never agreed with Mr. Fines or whoever is responsible for the documentation of the so-called profits of the crown corporations and the summaries of the operations of the crown corporations. I never agreed because there are many, many other documents and other statements that go out, that do not come from the Government Finance Office that are different statements, that are audited statements that do not appear in this document which is a figment of somebody's imagination.

Now the original document Mr. Speaker that was tabled by the then Provincial Treasurer, Mr. Fines, claims that crown corporations have made profits of some \$93 million up to the tabling of this report.

(inaudible)

Now the budget speech this year delivered by the hon. minister again states that in 1961 crown corporations have made a profit of a grand total of \$854,729. Mr. Speaker, this is a figment of the minister's imagination. No auditing firm on the face of the earth could come up with this type of profit. Before someone accuses me of doing the provincial auditor's job, this is an audited statement, and I am not accusing the provincial auditor of anything. I am accusing this government of doing something that no auditor could put his finger on. Now the accumulated claims, profit claims of the crown corporations in Saskatchewan up to the end of last year which is the last record we have, I say the claimed profit of \$10,776,000 if we add to it the claimed profit — \$12¼ million in profits since their inception to date. But Mr. Speaker, if they want to charge the legitimate costs to the operations of crown corporations they haven't got a red cent in profits. Now let us take a close look at it.

First of all, the operating expense of the Government Finance Office, and in this document which is

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audited, it is taken away from the profits, but in this document which is not audited, this is the one that is given to the public through the press, radio and television, it hasn't been deducted. The audited statement has it deducted. Mr. Speaker, this amounts to \$1,348,000 the operating expense of the Government Finance Office in dealing with crown corporations, so we take \$1,348,000 off the total.

(inaudible)

You know Mr. Speaker, and I know that the money that has been stolen from the corporations was borrowed by the Provincial Treasurer on the money markets of the world, and he is going to have to pay today around five per cent, but we are charged an interest rate that was paid in the days when this money was borrowed, about 3½ per cent, and I think the Provincial Treasurer will agree with me that is a fair statement. Now the amount of money that the crown corporations had loaned to them by the Provincial Treasurer over the years, was sometimes as high as \$10¼ million in a year, and the annual report for 1961 shows it stood at \$8,353,000. But if we take in the average at an interest rate of 3¼ per cent then we find that the interest on the borrowed money by now would be \$4,880,000. We add \$4,880,000 to the \$1,348,000 and this figure will amount to government finance charges of \$6,228,000 away from the total net profit. You can see now Mr. Speaker that most of the profit has gone poof . . . But we have only started.

There are also handouts from government departments to crown corporations which amount to \$4,543,000. The government will likely want handouts.

Mr. Speaker, this government had adopted the policy of insuring government buildings against fire, theft, windstorm, when the question as to whether it was good insurance or not, was raised, they denied it was, but Mr. Speaker, the insurance — the amount of money this government has spent on insurance premiums exceeds the amount they have collected under their insurance from their own company by \$4,542,000.

In previous times in this province, up until this administration came into power, it was deemed more advisable for the government, because of their large holdings, to carry their own insurance, than to pay exorbitant premiums to insure property, but this government set out to insure something of their own.

Saskatchewan Government Insurance set up the Guaranty and Fidelity Company, and Mr. Speaker, the amount we have paid in premiums have exceeded the gross profits of those corporations.

Now Mr. Speaker, if you take the other \$4,543,000 of the government's handout to the corporations, well then your profits will go down to \$200 thousand. We started out with \$12¼ million, we are now down, using government figures, down to \$1,200,000. But then, Mr. Speaker, there are a lot of other things we haven't taken into consideration.

What about the printing? The Department of Travel and Information, and the subtracting . . . corporation and costs. What about it? Who is going to pay for that? What about the expense for the finance office? But if we take off these three big items the expenses of the finance office, the interest rate on the money that has been borrowed by the treasury on loans to the crown corporations, and the excess premiums over claims we end up with \$1,200,000 profit.

But let me tell you something — some of the other expenses that have not been provided for. Who pays the auditing cost of these crown corporations? The corporations? No. The provincial treasury pays it. What about the grants that are paid to the Fish Board which decreased their losses to the extent of the grant. Who paid that? Mr. Minister of Natural Resources?

What about the machinery of the Minister of Natural Resources department that is used to do work for the Timber Board, who pays that? What about the Bureau of Publications that does printing for the Transportation Company, but doesn't charge the Transportation Company for it? What about the departments of government that have purchased the assets of the defunct corporations at book value which far exceeded the actual value? Mr. Speaker, there are some of these transactions that amounted to more than a million dollars.

Crown corporations, the CCF crown corporations haven't made a red nickel for the province of Saskatchewan.

Opposition Members: — Hear! Hear!

Mr. McDonald: — The CCF or NDP corporations have been a financial fiasco as far as Saskatchewan is concerned. Good money has been spent, the taxpayers money, there isn't one nickel of profit.

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Now Mr. Speaker, there are certain crown corporations that I don't think should be placed in this category. This idea of government being in business for the sake of being there is a lot of nonsense. If the crown corporation is not providing a worthwhile public service, then I can truthfully say that I don't think it should exist. Perhaps it should have the same fate as some of those that were thrown away by the government that sits opposite.

(inaudible)

What happened to the woollen mill? What happened to the shoe factory? What happened to the box factory? — or it was sold for more than it was worth — far more money than it was worth. This is the story of the failure of crown corporations. I only wish that my friends that sit opposite would state the truth in this document, and if they do when they come to the back of it, they will have one problem and one problem only, and it will be in red ink with a deficit at the end of it. And nobody will be able to deny it.

Opposition Members: — Oh go on . . .

Mr. McDonald: — Now before I close Mr. Speaker, I want to say a word or two about medical care. In the budget speech the Provincial Treasurer made a statement that I will quote:

“They (meaning the Liberal party in opposition) do not even agree on whether they should oppose comprehensive government sponsored medical care program.”

Mr. Speaker, the government that sits opposite haven't got a medical care program. There is no question as to where the members on this side of the house stand; there is no question where the people of the province of Saskatchewan stand; the only question is where the government stands. This government and the spokesmen of this government lay down certain kinds of principles that they promised to the people of Saskatchewan and to the medical profession when they first began talking about medical care for the people of Saskatchewan, and what of the kind of principles and what about the promise you made to the people. You said this program would be administered by a public body. Now people in Saskatchewan took from that that this would be a non-political group and a public body that wasn't interested in the CCF or

the Liberals or the Tories or any other political party. What have we got now? One of the things you promised the people of Saskatchewan was that this public body would be responsible to the Saskatchewan legislature. You haven't kept this promise. This public body or so-called public body that you set up should be responsible to the Lieutenant Governor in Council, maybe the cabinet. This body is not responsible to the legislature. The same kind of principle that you promised the people of Saskatchewan was that this program would be acceptable to both those who provided the service and those who received the service. I suggest it is not acceptable to either one of them. You haven't kept your promise on three of the five principles, that were stated at the beginning of this whole question.

You know it is a funny thing to me the attitude of some people who sit opposite, especially those who rise in their place from time to time and take up the cudgel of organized labour. I can think of the member, the junior member from Moose Jaw (Mr. Snyder) the hon. member from Saskatoon (Mr. Stone) if he is awake, he is asleep most of the time, probably is today . . .

Government Members: — He wishes he was . . .

Mr. McDonald: — Mr. Speaker, you will recall the speech that was made in this house by the then Premier of our province just after the grain handlers' strike took place at the west coast. The Premier at that time, Mr. Douglas, said it was one of the hard-earned rights of labour to withhold their service, and he said why these labourers are not withholding their services from the farmer, they are withholding their services from the big grain companies. Well Mr. Speaker, that is exactly what the doctors are doing now. Not withholding their services from the people of Saskatchewan, but withholding their services from the government that has failed to sit down and negotiate with them.

Now the present Minister of Health has the audacity to stand in his place and say why the door has been open to the medical profession ever since I have been minister. Did he have nothing to do with the actions of the former minister? Mr. Speaker, the attitude of this Minister of Public Health, or the former Minister of Public Health is the attitude of this government, and the days when consultations and meetings ought to have taken place the door was closed in the faces of the medical profession.

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Opposition Members: — Hear! Hear!

Mr. McDonald: — This government has refused to the medical profession the very thing that they uphold as the right of any labour union and Mr. Speaker, I think it is the right and Premier Douglas said it is the hard-earned right of labour to withhold their services if they see fit.

The doctors are not withholding their services from the general public, they said they would treat the general public whether we have a health grant or whether we don't, but they have stated they are not prepared to negotiate with this government unless it can get down and negotiate in those things in the legislation to which they object and I think that is a reasonable request, and I think it is a reasonable request of any labour body to have the right to discuss with their employers the conditions under which they will work. This is the hard-earned right of labour. This should be given to our medical profession the same as is given to other workers.

I should imagine the holler that would emanate from the Minister of Health in this province if any company in Canada were to fail to negotiate with their labourers or refuse and close the door in the face of labour, I could imagine the holler that would come up. Well you know it is a funny thing how he thinks on one issue when it suits him to think that way, and how different he thinks on the same issue when it suits him to think the other way. Mr. Speaker, I doubt if even the labouring people of this country have any faith in a minister of the crown who does that. I hope that the labouring members of the government of this province, and those who are sitting as private members, will use their influence on the Minister of Labour and his colleagues to bring about negotiations between the members of the medical profession and the government of this province. I am convinced that the majority of people in Saskatchewan and in Canada want some type of prepaid medical insurance. I am convinced they don't want state medicine, and I am not convinced that the bill that was presented to this house and passed isn't state medicine.

Mr. Speaker, people have shown by their willingness to join volunteer plans that they want insurance against sickness, but they are still wise enough to make their decision as to what type of medical services they want. We of the opposition feel that the general public, not only in Saskatchewan, but of Canada, that the people

of this country want a prepaid medical care plan, they want an insurance plan, and I think the people of this country ought to be given the opportunity to help formulate the type of medical care that would best suit the people of Saskatchewan.

Now Mr. Speaker, I think you could take from what I have said this afternoon, and I would like to say something about agriculture, but I am sure some of my colleagues will deal with that, but Mr. Speaker, I could not under any consideration support a budget which calls for increased taxation to the tune of this one.

Mr. Speaker, how could anyone, if he let his conscience be his guide, whether he is sitting on that side of the house or this one, how could any person ask the 27 thousand people that are unemployed the great numbers that are on social aid, the great numbers that are working on relief projects, the farmers who had his income cut in half, pay an additional \$34½ million in taxation this year. This is gall of a government even to ask, and I don't know, as most of us don't, who can sleep most of the day.

Opposition Members: — Hear! Hear!

Mr. McDonald: — I think if this government had any courage or any thought for the people of this province they would put this budget and the actions of this administration over the last year before the people of this province and let them make the decision.

Hon. C.G. Willis (Minister of Highways): — Mr. Speaker, this is the first opportunity I have had to congratulate you upon your election to the high office you hold. Perhaps in congratulating you I should remark that you are the 13th person in Saskatchewan history to hold this position. With more than two weeks of presiding over this chamber's deliberation, I can factually say that you have proven yourself to be capable, firm, and impartial, and a worthy successor to all your twelve predecessors.

Some Hon. Members: — Hear, hear!

Hon. Mr. Willis: — Mr. Provincial Treasurer I congratulate you too upon your budget address, both in regard to the substance of the address and in regard to the presentation of it.

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I am sure too that in the carrying out of the onerous duties of your office, you will rank high in the list of your predecessors.

Government Members: — Hear! Hear!

Hon. Mr. Willis: — Mr. Speaker, I was not surprised last Friday to hear the Liberal financial critic, the member from Moosomin (Mr. McDonald) blaming the farmers' financial difficulties on the provincial government. This is the favorite pastime of the ex-Leader of the Opposition. He has excelled at it in past addresses in this chamber. He conveniently forgets however that there was a serious drought last year which resulted in Saskatchewan's smallest crop since 1937.

Mr. Thatcher: — You forget your 1200 new taxes.

Mr. Speaker: — Order! Order!

Hon. Mr. Willis: — He conveniently forgets that the federal government with its control of trade and tariffs, markets and fiscal policies must take the blame for the cost-price squeeze which has been plaguing our farmers over a long period of time. The blame for our farmers' situation, outside of drought conditions has been attached to the federal government by every other interested group in Western Canada. I would remind the member for Moosomin (Mr. McDonald) that when the farmers through the Wheat Pool organized a march to protest conditions affecting prairie farmers, they marched to Ottawa and not to Regina.

The present federal government recognized its responsibility at least while it was in opposition, for they promised parity, not charity, and a fair share of the national income. The federal Liberal party, too, Mr. Speaker, now in opposition, is also taking the same stand.

The provincial government recognizes the farmer is in financial trouble. The Minister of Agriculture, the Hon. I.C. Nollet, delivered a paper to a meeting of the Rural Development Council held in Regina December 18th and 19, 1961. At the meeting he presented a balance sheet statement for Saskatchewan agriculture for the year 1957-58-59, which showed beyond doubt that the farmer is in serious difficulty. This balance sheet statement for Saskatchewan agriculture assumes that all commercial farm units in the province were incorporated into a single unit,

and as such keep proper accounting records. It assumes also that this corporation is entitled to a rate of interest of five per cent of capital investment, finally that labour costs would have to be paid before the net earnings of the farm was arrived at. The figures for 1957 under income showed a gross income including Canadian Wheat Board payments and PFAA payments or the total farm cash income. It shows also the income in kind, value of farm produce grown on the farm and third it shows the value of inventory — grain and livestock etc. For expenditures the statement shows the total operating expenses such as depreciation charges, taxes, rent, farm machinery, fertilizer, feed. Second under expenditures is shown five per cent interest on the total capital investment, basis 1959 Dominion Bureau of Statistics figures which estimated that the total capital invested in the farm industry was \$2¼ billion. Third under expenditure were labour costs, based on 100 thousand farm operators and their families at \$2,500. On this basis Mr. Speaker, the income for 1957, the gross income for 1957 for the farming industry in Saskatchewan was \$489 million. On the other hand the expenditures for 1957 were \$670 million, or an excess of expenses over income of \$181 million. This Mr. Speaker, was the year 1957.

For 1958 the gross income for farmers of the province, on this basis was \$525 million, but total expenses were \$675 million, again a deficit over the year of \$150 million. In 1959 income for our farmers is \$553 million, and expenses amounting to \$681 million, or a deficit of \$128 million.

Mr. Speaker, the provincial government could not solve a problem of that nature. Our financial capabilities do not allow us, even if it were our responsibility. This is a problem which can only be dealt with by Ottawa.

Mr. Speaker, I resent the statement of the financial critic that all we do on this side of the house is sit on our haunches and holler to Ottawa. First this government is very active in aiding farmers to overcome their production problems, and helping them to become more efficient. We have done this, it is true, over the protests of the opposition, but we have done so Mr. Speaker, as is shown by the statements of the Provincial Treasurer, when he stated on Page 7 of his speech of last Friday, that —

“more extensive use of, and improvements in summerfallow practices, the wider use of fertilizers, improved insect control and

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weed control methods, the use of shelter belts and strip cropping, as well as the greater degree of mechanization which permits, among other things, better timing of seeding and harvesting operations; all have helped greatly in reducing the impact of the drought. In 1937 a year with comparable rainfall and comparable moisture reserve, the wheat yield in Saskatchewan was two bushels per acre, in 1961 it was 8.3 bushels per acre. I think a good deal of the difference between these yields can be attributed to the investment of the government and the farmers of Saskatchewan in technological improvements of the kind I have mentioned. It is not the investment of money alone Mr. Speaker, which has created these changes, however. The skill and knowledge of our agricultural representatives and the university's extension service are equally important resources, of which farmers have been making good use."

And then again Mr. Speaker, on page 11, where the Provincial Treasurer mentions in this regard,

"nearly \$2.5 million will be spent on drought assistance programs for farmers. The government provided financial assistance to aid farmers in securing hay, feed and seed. We provided grants for transporting livestock and for transporting haying equipment. A provincial-municipal program was introduced to retain elevator stocks of feed grain where needed, and grants of \$5 per ton were paid where grain was cut for fodder."

These things have been done by this government, Mr. Speaker, and farmers appreciate their having been done. However, I do not think that the farmers or anyone else in Western Canada would protest if we lend our voices to those others protesting to Ottawa, the serious crisis the farmer is in. The farmers of Saskatchewan would certainly criticize us if we did not protest sharply a state of affairs which has Saskatchewan's most important industry in a deficit position, averaging \$153 million deficit over a three year period of near normal crop production. I do, however, resent that we have to protest again and again such treatment of a basic section of our population. I predict it will not be necessary for us to holler to Ottawa for economic aid for our farmers when the New Democratic Party achieves office federally.

Government Members: — Hear! Hear!

Hon. Mr. Willis: — This economic inequality for our farmers is not a new state of affairs. Ever since the province was formed the farmers found more times than not, that when he had produce to sell the price was low and that when he decided to buy the cost was high. The economic unrest among the farmers of the three prairie provinces led to the formation of the United Grain Growers Company in 1906, and the Wheat Pools in 1920, in an effort to improve marketing conditions. Provincial action was also taken and the Progressive Party sent as many as 65 members to Ottawa in the 1921 federal election in an effort to secure a fair deal economically for the farmers.

But as difficult as the twenties were the thirties were even harder, for drought struck on the prairies at the same time as a major economic depression hit the world. Saskatchewan in the thirties suffered the hardest times ever experienced by our people, when wheat prices fell to a low of 20 cents per bushel.

It is the luck of the Irish as the saying goes that the Liberal party at this time was turned out of office both at Regina and at Ottawa for the depression became associated with the Conservative party through the Anderson cart and the Bennett buggy.

After five years of Conservative floundering at both capitals, the Liberals were again returned provincially and federally. In spite of the change in government the floundering of our economy continued until not only in Saskatchewan but throughout Canada, for the Liberals as much as the Conservatives had no policy and were incapable of planning the use of Canada's vast resources to care for the needs of her people.

In 1939 World War II broke out and with the Liberal federal government at long last stirred to positive action for war purposes. Better times began to return to Canada, but not to the Saskatchewan farmers, for his produce was in surplus and not needed for the war effort. Also farm products were placed under price control which bore little relation to the cost of production. Saskatchewan too suffered because of her lack of industrial potential. The federal government in establishing crown corporations throughout most of Canada to assist in production of goods for the war effort passed Saskatchewan by. The provincial government of that day did nothing to bring about diversification of our economy, except to admit that Saskatchewan

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had no industrial potential, as the government did in its submission to the special committee of the House of Commons on reconstruction and re-establishment. On Wednesday, April 19, 1944, the then Premier of the province reported to the special committee of the House of Commons as follows:

“Saskatchewan from the point of view of industrial development is in a poorer position than any other province in the Dominion of Canada, with the possible exception of Prince Edward Island.”

Mr. Speaker, the financial critic this afternoon made a great deal of the fact that the previous Liberal government had no deficit. They didn't need to have a deficit; there was no excuse for a deficit. They were doing nothing in the 1930's in the 1940's. Why should any government doing nothing have a deficit?

Mr. Speaker, there was much that could have been done by the former Liberal government to attract industry, to improve the industrial climate of Saskatchewan, but the Liberal government in office prior to 1944 did nothing. It is worthy of note, however, that they did take one action, designed to improve their chances of re-election at the polls. They served their full five year term and then by legislation extended their hold on office one year more, hoping that in the meantime some miracle would happen to improve their chances of re-election.

It is rumored that the favorite posture of the Liberal politician just prior to 1944 was down on his knees with one ear close to the ground, and one moistened finger up in the air at the same time in a desperate effort to detect the change in political atmosphere. But there was not a change and they did not have nerve enough to extend their term another year by legislation. The election was held in June 1944 after an unprecedented and shocking six year term. The electorate as expected, turned their back on both the Liberal and Conservative do-nothing parties and put in office a new political party made up of farm-labour groups.

Government Members: — Hear! Hear!

Hon. Mr. Willis: — The CCF under T.C. Douglas immediately set about the task of attempting to improve conditions in Saskatchewan, and success has attended the efforts of the CCF as is shown not only in the study of improvements brought about

in Saskatchewan but also in the fact that the electorate which is the best judge has returned the CCF in the four succeeding elections since 1944.

Government Members: — Hear! Hear!

Hon. Mr. Willis: — To improve conditions in the province the CCF set about the task of diversifying our economy, so that with a broader economic base the provincial well-being would not be at the mercy of a capricious nature. This was a formidable task, as Saskatchewan lacked most of the essentials necessary to attract industry, such as good transportation facilities, adequate economic power and reliable water and fuel supply. But the greatest obstacle that was confronting the CCF government in its efforts to improve conditions was the attitude of the Liberal opposition, who were determined to go to any length in sabotaging the efforts of the democratically-elected government.

Government Members: — Hear! Hear!

Mr. Gardiner: — All five of them.

Hon. Mr. Willis: — Improvement of our highway system was high on the plans of the CCF, for by no stretch of the imagination could Saskatchewan's 1944 highways be considered adequate for industrial transportation. In summer the majority of the highways were impassable in rainy weather. Almost all of them were continuously blocked with snow in the winter. A construction program was undertaken to rebuild our highways to all weather standards, so that they could be depended upon throughout the whole year. This has been successful Mr. Speaker, for rainy weather no longer hinders highway travel in the summer and even now during this present winter of greater than normal snowfall, every mile of our eight thousand three hundred miles of highway is open for motor travel.

Government Members: — Hear! Hear!

Hon. Mr. Willis: — Perhaps of greater importance to industry than roads is the provision of an adequate electric power supply. Just as the highway system of 1944 was totally inadequate to our uses, so for the purpose of attracting industry were the power facilities of eighteen years ago. Electrical power in the province was supplied by a

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number of small scattered independent power plants, none of which had the potential load reserve required for industry. Low cost electrical power is produced today in new huge generating plants at Estevan and Saskatoon. A high voltage transmission bridge has been built extending over most of the province making this power readily available.

Hydro power is being developed on the Saskatchewan River sites. Together these two hydro developments will be capable of producing 1,500 million kilowatt hours per year, yet such is the foreseeable demand for electrical power in the province that the Saskatchewan Power Corporation is already considering the construction of another hydro plant soon after Squaw Rapids and the South Saskatchewan River Development Projects are commissioned.

Of great importance to industry is the natural gas made available to every city and more than one hundred towns and villages and hamlets in Saskatchewan. Our natural gas, province-wide distribution system is something not duplicated in any other province in Canada. The supply of natural gas to many communities has been received with widespread enthusiasm by all in Saskatchewan, except by the members opposite.

Mr. Speaker, roads and power are necessary to attract industry and to a like degree so is a dependable supply of water. At long last, after much prompting of federal authorities by the Saskatchewan CCF government, the South Saskatchewan River Project is well under way.

Government Members: — Hear! Hear!

Hon. Mr. Willis: — And we are assured of the water necessary not only for the irrigation and the hydro development but also for industry and for future further developments. While we rejoice at the progress that is going forward, we can say now that it was a long time in coming. For years the former federal Liberal government continuously negotiated with the provincial government regarding cost-sharing, and regularly every four years proclaimed their lasting faith in the project. The federal Liberal government made a great deal of political advantage from the South Saskatchewan River Project over the years and it is to their everlasting discredit and shame Mr. Speaker, that construction was started only after they were turned out of office.

Government Members: — Hear! Hear!

Hon. Mr. Willis: — As far back as 1949 a young ambitious politician, when discussing the Liberal promise to start work on the South Saskatchewan Dam, had this to say in a report in the Moose Jaw Times Herald April 22, 1949.

“The government’s sole excuse in delaying the project was a lack of funds. True it was going to cost \$100 million but that sum is of insignificance compared to the amount spent on relief, on destruction during time of war and on the benefits that would result in such a scheme.”

Mr. Thatcher further said:

“The government’s failure to proceed with this project is a national tragedy and a national disgrace.”

Government Members: — Hear! Hear!

Hon. Mr. Willis: — After the present Leader of the Opposition in this legislature made that statement to a public meeting in Moose Jaw, for seven years from 1949-56 lack of action by the Liberal government at Ottawa remained a national tragedy and a national disgrace. The use of the South Saskatchewan River Development Project as a political football was one of the main reasons for the Liberal defeat in the federal election in 1957 and again in 1958.

Mr. Speaker, beside roads, power and water requirements for industry the CCF government foresaw the need for development of our resources and deliberately set about to encourage the search for and development of such resources. This was probably the most difficult task the CCF government undertook and yet it is one that has met with outstanding success in spite of the sabotaging efforts of the Liberal party in opposition. Those in the Liberal opposition Mr. Speaker, did everything possible to discourage oil companies from coming into Saskatchewan. In spite of this however, our oil industry has highlighted this province’s industrial developments during the past seventeen years. Oil was first produced in Saskatchewan in 1940 with production totalling in that year 331 barrels, or an average of .9 barrels per day. By 1945 daily production was up to 45.2 barrels. Today in

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Saskatchewan there are more than 4000 wells capable of producing oil. Production in 1961 was more than 56 million barrels or an average of 153 thousand barrels per day. Mr. Speaker, the fact that the province has an oil industry is a remarkable achievement, considering that the Liberals had done everything possible throughout the years to sabotage oil development. Today, Mr. Speaker, they are still trying to sabotage this industry. As Leader of the Opposition in September of 1960, in an address at Richmond, B.C. for the B.C. Electric said, "That if the CCF government was returned in the province there would be a mass migration of oil and gas companies out of their province as in Saskatchewan."

Mr. Speaker, I am sure that the people of British Columbia would have appreciated the same "mass migration" of oil companies which Saskatchewan has experienced during term of the CCF government, when oil production increased from 35 barrels to 153 thousand barrels per day.

Government Members: — Hear! Hear!

Hon. Mr. Willis: — The Leader of the Opposition should have told the whole story, Mr. Speaker. What if the oil companies had listened to the Leader of the Opposition, listened to the Liberals of that day and stayed out of Saskatchewan? What a price Saskatchewan would have to pay as a result of the sabotaging efforts of those opposite us. Fifty-six million barrels of oil would not have been produced in Saskatchewan in 1961. This Mr. Speaker, would indeed have been a "national tragedy and a national disgrace," at least comparable to the result of the delaying action of the national Liberals in connection with the South Saskatchewan River Dam.

Those people on your left Mr. Speaker, are the people who are asking the electorate to make them the government of the province.

Mr. Gardiner: — Give them a chance; give them a chance.

Hon. Mr. Willis: — Oil has sparked mineral development in our province and along with natural gas, uranium, coal, copper, zinc, clay, sodium sulphate and other minerals, we have a total mineral production which places Saskatchewan fourth among the provinces of Canada in this field. Only three Canadian provinces, namely Ontario, Quebec and Alberta

in that order, produce more minerals of greater value than does Saskatchewan.

These developments aimed at attracting industries here tell a remarkable story of what has been taking place in Saskatchewan over the last eighteen years, and yet this is only part of the story, for industry is establishing in Saskatchewan, our economy is becoming diversified, in spite of the sabotaging efforts of the opposition.

Mr. Gardiner: — You have worn out that word.

Hon. Mr. Willis: — Soon after the election of the CCF in 1944, Premier Douglas announced that there was room in Saskatchewan for public, private and co-operative enterprise, and especially invited private industry to Saskatchewan, promising a fair deal to all companies establishing here. Public enterprises were set up, despite the opposition of the Liberals, who attempted to throw them out of the window. I am proud that corporations have succeeded despite the Liberals, they have been successful financially and as well have provided employment for large numbers of Saskatchewan residents.

In 1961, according to the Provincial Treasurer, the total volume of business transactions by crown corporations rose to almost \$93 million. Nearly 5,600 workers were employed and the wage and salary bill for the year exceeded \$26½ million. Exclusive of Saskatchewan Power Corporation, and Saskatchewan Government Telephones, the eleven smaller crown corporations in the same year amassed surpluses of \$854 thousand which represent a return of more than 10 per cent on the money advanced by the government. True, there were losses chalked up against some of our crown corporations, over the years accumulative deficits have amounted to almost \$2 million. Even after taking this into account there have been, exclusive of power and telephones, net profits of almost \$12 million, a most satisfactory showing Mr. Speaker, for the crown corporations that the opposition would have “thrown out the window.”

Mr. Gardiner: — How about the interest?

Hon. Mr. Willis: — As well as public enterprise, co-operative enterprise in Saskatchewan has made a tremendous growth

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since 1944. It is sufficient to report that combined co-operative membership rose from 299 thousand in 1944 to almost 744 thousand in 1960. Assets in the same period have gone up to \$378 million from \$71 million in 1944, and the volume of business has increased to \$530 million from \$199 million. This is indeed an outstanding record, and shows that Saskatchewan people as a whole have more confidence in the future of our province than the people to your left, Mr. Speaker.

Despite repeated warnings by the opposition as to what private investors could expect in Saskatchewan, in spite of the Liberal exhortations to stay out of the province, private enterprise is establishing in Saskatchewan in ever-increasing numbers. That this is so is shown Mr. Speaker by the table on page 32 of the Provincial Treasurer's address. Here the net value of commodity production for Saskatchewan is set out over a ten year period from 1952 to 1961 inclusive. The six main segments of our economy are listed with a net value of commodity production for each. Of the six construction, manufacturing, technical, electrical, power, and mining show steady substantial increases over the decade. Manufacturing rose from \$81 million to \$125 million in the ten year period. Net value of production increased from \$94 million in 1952 to \$205 million. Electric power rose from \$13 million to \$38 million. Mining from \$30 million to \$167 million. Forest, fisheries, and trapping from \$5 million in 1952 to \$9 million in 1955-56 and reported at \$7 million in 1961. Agriculture showed a wide variation, due to weather conditions, and greatly increased costs.

In 1952 the high net value of agriculture production for the decade was \$810 million, in 1961 the low of \$181 million was reached. To me the significant thing about this table Mr. Speaker, is the fact that the low total for net value for all commodity production was not the year 1961. One would have expected that with agriculture contributing only \$181 million, the total for 1961 would have been the lowest in the period. This dubious honour for low total went to the year 1954. In 1954 the net value of agriculture production was \$260 million, some \$70 million greater than in 1961, yet because of the increase in non-agriculture commodity production for 1961 total value of commodity production was \$140 million greater than that of 1954. In other words Mr. Speaker, the non-agriculture segment of our economy because of its expansion over the decade has been able to buoy up our economy through the worst crop conditions that we have experienced in 23 years.

Mr. Speaker, that Saskatchewan has been diversifying its economy is shown by the fact that over the past five years the net value of non-agriculture production averaged out as 61 per cent of the total commodity production. This 61 per cent compares with 20 per cent in the years immediately preceding 1944.

That we have broadened our economic base substantially has not prevented the members of the opposition from going up and down the length and breadth of Saskatchewan shouting, that there is no development in Saskatchewan. Indeed the term used by the Leader of the Opposition is 'economic stagnation' when he talks about conditions in our province. It is true that it has taken some time and some effort to overcome the inertia of the industrial climate left by the Liberals in 1944, but with the emphasis in Saskatchewan on roads, power, fuel and water supply which has been displayed by this government, along with the promotional campaign of the Industrial Development office there is no industrial stagnation in Saskatchewan today. This is apparent to everyone but to the members of the opposition. The newspapers of this province know that industrialization is taking place in Saskatchewan. As early in 1958, the Leader-Post had a special section in the September 23rd edition entitled "Saskatchewan on the March." One article in this supplement I would especially draw to the attention of the house is entitled, "Heavy industry is moving into the city as economy is more diversified." This article Mr. Speaker, was written three or four years ago.

Then on June 4, 1960 the Saskatoon Star-Phoenix published a section on "Development in the Province." It featured the South Saskatchewan River Development Project and the supplementary was headlined "Canada's mightiest Project and in Saskatchewan too." This supplement was enthusiastic over other developments taking place in the province. Page 3 had an item headed "Saskatchewan Production Record Set" Again in an article titled "Province moving steadily toward a sound economy, " the last paragraph of which stated, "summing up it can be said that in 1959 Saskatchewan took a long step forward toward a balanced economy it will enjoy."

The Leader-Post too, put out an Industrial Supplement on March 22, 1960. It consisted of two sections one headed "For a Greater Regina" and the second "For a Greater Saskatchewan". Both sections told a fantastic story of the province's development. The papers outside of the province also got into the act, the Financial post of April 16, 1961, putting out a

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supplement outlining the growth of Regina and the province. Of special significance was an article titled "Dominion Bridge Moves Into Regina." The article questions, why the move to Regina when Dominion Bridge have plants in Edmonton, Calgary and Winnipeg. Mr. Lucy, the manager of Dominion Bridge here in Regina, supplied the answer when he said, "we felt industry was on the move here and we wanted to be here to serve it."

Government Members: — Hear! Hear!

Hon. Mr. Willis: — Just in case these newspapers are thought to be biased regarding Saskatchewan's industrial development Mr. Speaker, I should put on record a report of Regina's newly organized industrial department which appeared in the Leader-Post of March 17, 1961, a year ago. I will read most of it Mr. Speaker. I think it highlights the developments which are taking place in the province. Quoting from the article it says:

"Regina, set in the heart of prairie farming, has almost doubled its manufacturing output in the past ten years. The estimated gross value of manufactured products reached \$121 million in 1960 compared to \$61 million in 1951. According to a report on economic development, compiled by the city's newly organized industrial development department. This 95 per cent increase, an average increase of nine per cent a year has almost doubled the city's labour force and tripled the annual industrial payroll. An estimated 4,500 people are employed in industry in Regina in 1960 compared to 2,968 in 1951. The payroll last year was estimated at \$39 million compared with \$7 million ten years ago as the report showed."

It lists the major industries established in Regina. There were "eight major new industries located in Regina during 1960, involving capital expenditures of over \$18 million and giving work to 550 employees." It lists the \$1 million Dominion Bridge Plant, \$300 thousand International Paint of Canada Company, \$30 million Interprovincial Steel Pipe Corporation Limited, \$750 thousand Liquid Carbonic of Canada Corporation Limited, \$500 thousand Prairie Metal Products Limited, \$200 thousand Pumps and Softeners Limited, \$300 thousand Redi-Mix Regina Limited, and \$190 thousand Solar Paint Company Limited.

Then it goes on and mentions the expansion taking place to industry already here. It says major industrial expansion last year involved capital expenditures of \$4,385,000. These expansions were: Federated Co-operatives Limited, \$3 million; Saskatchewan Cement Company Limited, \$1 million; Cindercrete Products, \$125 thousand; Prairie Metal Products Limited, \$70 thousand; Supercrete-Saskatchewan Limited, \$150 thousand; Western Clay Products Limited, \$40 thousand, which the article stated provide a growing market for manufactured products to the city's expanding population estimated to reach over 180 thousand by 1975 according to the report.

Mr. Speaker, this expansion has not been confined only to Regina. We find that other Saskatchewan cities have substantial growth increases. The ten Saskatchewan cities, excluding Lloydminster had total population increases from 203 thousand in 1951 to 313 thousand in 1961. Percentage-wise increases were 93 per cent in the case of Estevan, 73 per cent for Saskatoon, 59 per cent for Swift Current and Regina fourth with 54 per cent.

Other important figures show that while the agricultural labour force decreased from 148 thousand in 1951 to 131 thousand in 1961 the non-agricultural labour force increased from 154 thousand in 1961 to 197 thousand in 1961. If further figures are necessary to substantiate the development taking place here in Saskatchewan Mr. Speaker, I can note that cheques cashed in clearing centres, in our four largest cities, Moose Jaw, Prince Albert, Saskatoon, Regina increased from a total of \$1,600,000,000 in 1945 to \$6,122,000,000 in 1960.

Surely Mr. Speaker, the evidence submitted overwhelmingly proves that Saskatchewan has developed substantially in recent years. But Mr. Speaker, in spite of the figures, there still remain some doubters. Those members of the Liberal opposition sitting to your left, do not admit any progress. According to them "economic stagnation" is rampant in the province. Mr. Speaker, it is too bad that some people still live in the past. There was economic stagnation, prior to 1944, but those days are gone forever, despite the efforts of the Liberals to prevent progress. Mr. Speaker, the Liberals opposite have and are doing their best to destroy any further developments in our province, they are attempting to sabotage in this legislature and up and down the province the developments taking place.

Mr. Thatcher: — George.

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Hon. Mr. Willis: — When the opposition members shout economic stagnation here in Regina or Saskatoon, or any other place in the province, this is bad enough, Mr. Speaker, but it is treated with scorn and reserve and no harm is done, because the people of Saskatchewan know there is no truth in the loud assertions.

Mr. Gardiner: — Let's find out George.

Hon. Mr. Willis: — Mr. Speaker, when the Leader of the Opposition goes outside Saskatchewan and claims that there is economic stagnation in his own province, this Mr. Speaker, is another matter, and one which deserves a severe condemnation.

Government Members: — Hear! Hear!

Hon. Mr. Willis: — On December 17, 1959 issue, the Saskatoon Star-Phoenix felt called upon to administer such a rebuke to the Leader of the Opposition, when it stated in an editorial titled "Crying the Blues", as follows:

"Mr. Ross Thatcher may have been carried away by his zeal to raise campaign funds among his Ontario Liberal heroes. Whatever accounted for it, he went too far in his speech Monday to a Liberal Business Men's Club. His listeners, unless they knew better from personal experience, must have concluded from his remarks that Saskatchewan is teetering on the edge of economic ruination."

Mr. Gardiner: — That is right.

Hon. Mr. Willis: —

"Economic stagnation were the words that the provincial Liberal leader used in scorning the policies of the present CCF government. Certainly there are plenty of good targets in the former CCF failures for Mr. Thatcher to shout about in his rousing bid to lead the Saskatchewan Liberals back to power. We don't suggest for a minute that he should hold his fire, but let it be reasonably accurate at least."

Government Members: — Hear! Hear!"

Hon. Mr. Willis: — The Star-Phoenix says, I will repeat that again:

“Let it be reasonably accurate at least. To claim that Saskatchewan is in danger of becoming a chronic depressed area under the CCF is, we repeat to shoot wild.”

Mr. Thatcher: — They are your figures.

Hon. Mr. Willis: — Mr. Speaker, the length that some people will go to achieve personal ambition is virtually unbelievable.

But worse is still to come Mr. Speaker, the Leader . . .

Mr. Gardiner: — Let's go to the people.

Hon. Mr. Willis: — . . . of the Opposition took a holiday after his strenuous efforts in the legislature a year ago. He went to Europe, and here again took advantage of the opportunity to do what he could. In Europe he took advantage of the opportunity to do what he could to keep industry out of the province. Upon his return to Saskatchewan he was quoted in the press as telling a North Battleford audience that he had discussed potash possibilities in Saskatchewan with members of a German potash industry. He is reported as saying that he was told that the German potash industry was not interested in coming into Saskatchewan as potash would not be mined here as long as the present government was in power.

Mr. Speaker, knowing the Leader of the Opposition and knowing of his record I would rather believe that he took the initiative to advise the potash interests in Germany to stay out of Saskatchewan.

Mr. Thatcher: — Such nonsense.

Hon. Mr. Willis: — This is more and more in keeping with his apparent desire to stifle all progress in Saskatchewan.

Mr. Thatcher: — The Liberals will get them in.

Hon. Mr. Willis: — Again on this occasion Mr. Speaker, the Saskatoon Star-Phoenix took the Leader of the Opposition to task in an editorial of June 23, 1961 issue. It reads:

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“If Ross Thatcher, provincial Liberal leader would temper the vigor he has shown and is showing with a little more common sense, he would do even better than he is doing — His statement in a recent rally near North Battleford that the potash areas east of Saskatoon would never be developed under the socialist government strikes us as nonsense. The company working this tract has spent millions upon millions to get a potash mine and has been facing great difficulties as has every company attempting to mine potash in this province. Does Mr. Thatcher believe that these difficulties would not have been met if his own party had been in control of the province? Nonsense!”

the Star-Phoenix says.

Mr. Speaker, I would agree with the editor of the Star-Phoenix, this is indeed nonsense and of the most mischievous type, certainly not worthy of a man who is seeking high office in our province.

Mr. Gardiner: — Let’s go to the country and find out what the people think.

Hon. Mr. Willis: — Mr. Speaker, I have shown today that Saskatchewan has made spectacular progress, from the one-industry economy of 1944 to our more diversified balanced economy. What has been done to date in this province of ours, a province of abundantly rich resources, centrally located in the vast prairie region and populated with energetic forward looking people, is an indicator of what will be accomplished in the years ahead.

Mr. Thatcher: — New government.

Hon. Mr. Willis: — Mr. Douglas, the former Premier of Saskatchewan has often said that the second half of the twentieth century belongs to Saskatchewan. In the short time since 1950 Mr. Speaker, we have made a long step forward which in itself justifies this faith in the destiny of our province. Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 5:33 p.m.