

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Eleventh Legislature
15th Day

Thursday, February 28, 1952

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

BUDGET DEBATE

The House resumed from Wednesday, February 27, 1952, the adjourned debate on the proposed motion of the Hon. Mr. Fines (Provincial Treasurer): That Mr. Speaker do now leave the Chair. (The Assembly to go into Committee of Supply.)

Mr. G. Herman Danielson (Arm River): — Mr. Speaker, as I rise to take part in this debate, I wish, first of all, to congratulate the Provincial Treasurer (Hon. Mr. Fines) on the way he read his Budget Speech, yesterday. It was a very fine effort and I mean every word of it. I am not criticizing the Provincial Treasurer for reading his Budget Speech, because I understand and realize that what he said was important; there were so many details and so many figures that it is very important that they be given accurately and correctly. I only hope, Mr. Speaker, that you will extend the same courtesy to me, this afternoon.

It is my intention to deal with several aspects of this speech that was delivered yesterday. I am somewhat handicapped, in view of the fact that I did not see a copy of the Provincial Treasurer's speech until about five o'clock last night, making the time short; and for that reason some of the things may not be as well thought out or as well studied over as they would have been if I had had a little more time in which to check it over.

Yesterday, Mr. Speaker, the Provincial Treasurer (Hon. Mr. Fines) presented a budget providing for the expenditure of almost \$66 million revenue from revenue account. The actual expenditure proposed for the next fiscal year is very much larger than that. During the past few years, the C.C.F. Government has adopted a number of devices which have the effect of keeping down the public figures on expenditures. They have adopted a practice of using figures for receipts and expenditures on a net basis. This reduces the total on revenue account by \$9 or \$10 million a year. Each year now they are collecting taxes and spending about \$8 million a year which is not included in the budget; and is not reported in the public accounts. They are collecting \$6 million through the hospitalization tax, and about \$2 million in taxes from the owners and operators of motor vehicles. This is in the form of premiums, of compulsory automobile insurance. Whenever the C.C.F. is extolling its own workers, and talking of the service that they are rendering, they place the hospital scheme and the automobile insurance high on the list.

In the third place, this Government is including large amounts of expenditure in the capital account, which should be in the revenue account. In the public accounts of 1950-51, under the Department of Public

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Works, there are 23 pages, Mr. Speaker, of items under capital expenditure; a mere glance at these items shows that they are expenditures which should be under revenue. The items include such things as expenses of the Deputy Minister, casual labour, advertising and publicity, stationery and office supplies, educational supplies, postage and so on.

In the public accounts for 1943-44, you will find that the Public Works revenue items which might properly be regarded as capital expenditure; in the revenue expenditure you will find the cost of actual building contracts. I am now referring, Mr. Speaker, to what the practice was in 1943-44, when the former government was in. Under revenue expenditure you will find the cost of actual building contracts. This Government, on the other hand, is placing large amounts of revenue expenditure under capital.

If you turn to the Highway Department, you will find a similar situation. Expenditures on highway contract might be capital expenditure although the previous government had put most of them under revenue. This Government is putting not only expenditure on highway contracts, but some of the administration costs also under capital.

In the section of the public accounts dealing with Education, you will find, again, expenditures which are improperly placed under capital. You will find a number of items such as office furniture and even clothing, listed as capital expenditure. This thing is being carried so far that the next thing the public will see is money spent on C.C.F. propaganda by the Bureau of Publications placed under capital expenditure.

The over-all expenditure for the next fiscal year will be close to, or may exceed, \$90 million. They estimate, as tabled, yesterday, providing for expenditure on revenue account of \$65 million — \$65,874,000; and on capital account, expenditure of \$14,835,000. Add to that the \$8 million which will be collected and spent in the form of hospital and compulsory automobile insurance taxes, and you have a total of about \$88,700,000. If all this money were being wisely spent, Mr. Speaker, there would be little criticism. Anyone who, even for a moment, considers these huge expenditures and thinks of the service the people are getting, must immediately conclude that a lot of these huge additional expenditures are not used for worthwhile services to the people.

In the last year of Liberal Government, 1943-44, the total net expenditures on capital account were \$28 million — no hospital and automobile insurance taxes were being collected and spent by the Provincial Government at that time. Even if you leave these out, the expenditures of next year's budget on net revenue and capital account will be about \$81 million. This is 53 million more than was spent in the last year under Liberal Government. Just imagine what a good business government could do with an additional \$53 million to spend! It is true that some of it would be needed for increased administration costs, but if those administration costs were kept within any reasonable limit, there would be very much greater expenditure on worthwhile services than there is, today, under this C.C.F. Government. Not even half of that increase of \$53 million is being spent on increases in worthwhile services.

The C.C.F. party seems to be adopting the slogan that this C.C.F. Government the best government Saskatchewan has ever had. This Government, Mr. Speaker, is the most incompetent, the most improvident, the most wasteful government that any province in the Dominion of Canada has ever had.

In his Budget Speech of yesterday, the Provincial Treasurer, (Hon. Mr. Fines) reported a small surplus of about \$1/4 million on revenue account. This surplus was obtained in his usual way — it is only obtained by taking liquor profit into revenue. But for liquor profits he would have reported a deficit of \$1 3/4 million, Mr. Speaker. Likewise, all of the surplus he has reported has been reported by the same method. Last year, in his Budget Speech, he reported, for the year 1949-50, a similar surplus of about \$1/4 million. At that time he said, and I quote:

"Only \$4 million dollars of liquor profit was used to make up this surplus."

Only \$4 million! If he had not taken that into revenue his deficit would have been \$3 3/4 million. For some years before the C.C.F. took office, the previous Liberal Government took no liquor profit into revenue account. They took the liquor profits, at that time, and used them to pay off the public debt. This Government, as part of its reckless spending spree, takes in liquor profit into revenue and spends it. In six years they have taken \$24 1/4 million out of liquor profit into current revenue.

This is a very unsound method of financing, Mr. Speaker. This Government has been in office during a period of very buoyant revenues. Liquor profits have increased from \$3 1/3 million to \$8 3/4 million a year. No sensible Provincial Treasurer would expect this to be permanent. Ordinary expenditure on revenue account should not be based on this type of income. Instead of spending these liquor profits on revenue account, they have been used to reduce the public debt. That was the policy being followed by the previous government, which has been discarded by this C.C.F. Government.

In the Budget Speech delivered, yesterday, when discussing the matter of surplus, the Provincial Treasurer said, and I quote:

"In each year, since 1944, we have been able to budget for, and declare, a surplus. For the seven years ending in March 1951, these revenue surpluses have totalled \$5,827,000, exclusive of liquor board earnings."

To say that the surplus is exclusive of liquor board earnings, Mr. Speaker, is directly contrary to the facts. In each but one of the seven years referred to, liquor board earnings have been taken into revenue account; otherwise the Provincial Treasurer would have been obliged to report a deficit. In each year but one, his surplus has been dependent upon taking liquor profits into revenue. In the last six of the seven years referred to, the total amount of liquor profit taken into revenue is \$24 1/4 million. This information is contained in the votes and proceedings for February 13, 1952. It was given in answer to a question asked in this Session of the Legislature.

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These liquor board earnings, taken into revenue account, if totalled up during the seven-year period, would come to \$18 1/2 million. There does not seem to be the slightest excuse for putting in the Budget Speech statements so grossly inaccurate as the one I have referred to which was in the Budget Speech yesterday.

Sometimes we talk about the highlights of the Budget Speech, Mr. Speaker. That cannot be done regarding the Speech of yesterday. It did not have any highlights. It had ominous shadows. One of the darkest of these was the pronouncement about the public revenue tax. This tax was originally levied during the First World War, as a patriotic tax. It was a means by which the municipalities would make a reasonably uniform contribution to the patriotic fund.

Premier Douglas: — Oh! Oh!

Mr. Danielson: — Is that the hon. Premier that says "Oh, Oh." He must be juvenile.

It was not at that time intended to be anything but a temporary tax, Mr. Speaker. The Liberal Government, in office after the war, intended to abolish it, and did reduce it from two mills to one and one-half mills. Provincial revenue, in those days, was less than one quarter of what it is today. During the time of the Anderson Government the depression struck Saskatchewan, and this Government restored the rate to two mills. The Liberal Government took over again, in 1934 and faced the enormous problem of assisting our people through the difficult years of the 'thirties. The largest revenue that the Liberal Government ever received, on a net basis, was less than \$29 million per year — less than half of the revenue in the Budget of yesterday. This C.C.F. Government appointed a Commission to inquire into and report on Provincial-Municipal relations. The main recommendation of that Commission, Mr. Speaker, was that the public revenue tax should be abolished. In its recommendations, this Commission said, and I quote:

"That the Public Revenue Act, revised statute of Saskatchewan, 1940, Chapter 49, be repealed and that as a matter of policy the real property tax field be considered henceforth as belonging exclusively to the municipalities."

That is the report of the Commission, Mr. Speaker. The policy of the C.C.F. Government has no honour. It is just about directly opposite to that recommendation. The municipalities still collect this tax; and they hand it to the Government and the C.C.F. Government will spend it just as they have done every year since they took office.

In his speech of yesterday, the Provincial Treasurer said:

"The Government has given the question the most careful consideration, having fully in mind the history, background and incidence of the tax, the fiscal position of the municipalities, the analysis and recommendations of the municipal relations and the varied views expressed at the series of conferences held with municipal officials during the course of the past year."

He said, "the Government has given careful consideration to all these things," and then he said, "we propose not to eliminate the tax at this time."

In effect, Mr. Speaker, the Government, has given consideration to every essential factor in the situation and has decided to completely ignore it. All the essentials — the continued collecting and spending. You have got the Britnell-Cronkite-Jacobs report which repeatedly stresses the fact that the taxes on real property were the only important taxes left to the municipalities and that these taxes, at least, should be left to them. This field of taxation should be vacated by other governments and left to the municipalities, as at least one source of revenue to pay for all the services they have to provide. All that this Government chooses to ignore! The Provincial Treasurer (Hon. Mr. Fines), on behalf of the Government, attempted to apply some chocolate coating to the very bitter pill he was pushing down the throat of the municipalities. He said the revenue from this tax will now be used to pay school grants! Isn't that amazing, Mr. Speaker?

If there is one thing in the whole financial policy of the Saskatchewan Government that is clear, it is that school grants should come out of provincial revenue. School grants have always been deemed to be the province's contribution to the current cost of running our schools. This Government is going to take the money, which properly belongs to the municipalities, and use that money to pay school grants. The hon. members opposite, Mr. Speaker, have a vicious faculty for distorting statements. Let one thing now be crystal clear. We are not opposed to increasing school grants. Year by year we have insisted that the substantially greater part of the enormous increased revenue should be used for paying larger grants to our schools. Even this \$1,600,000 increase in school grants is not near enough, Mr. Speaker. This Government will still be paying the smaller portion of the cost of education — a smaller portion of the cost of education than is being paid by some other Provincial Governments. These school grants should have been increased years ago. The Education tax was originally levied to provide additional money for school grants.

The C.C.F. Government boasts about the increases in school grants they have made, but it is a sober matter of fact that the increase they have made in grants has been less than the increase of receipts from the Education tax. What I am talking about here, Mr. Speaker, is not the Education and Hospitalization tax, but only that part of the tax which is allocated to education. The method adopted by this Government of disposing of public revenue tax matter has come as a profound shock to everybody concerned. This Government has done many senseless things, but for a piece of high-handed insolence, this surpasses all the other performances. This public revenue tax is a tax on real property. That money belongs to the municipalities. The payment of grants to schools is the responsibility of the Provincial Government. The Provincial Government should use its own money for that purpose. This Government has the education fund, and also the general consolidated fund, out of which school grants should be paid. It is not even using as much as it should of the education fund for that purpose. That fund is being used, now, for capital expenditure, Mr, Speaker, something unheard of before this C.C.F. Government took office.

The Education tax was first levied, in 1937, as an emergency measure. The proceeds from that tax were to be deposited in a

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special fund and used for educational purposes. The Liberal Government used money it received from the Education tax fund to increase the school grants, to raise teachers' salaries, and for other current educational expenditures. That government did not use one cent of this money except for ordinary expenditure of the Department of Education — none of it was used to build or maintain educational buildings. All such matters were paid for by the Public Works Department. That was sound policy. The present Government has departed from that policy. In the last few years they have taken a total of \$9 1/2 million out of the education fund and used it, Mr. Speaker, for capital expenditure on buildings. Some of this has gone for buildings at the University; some at the Industrial School for boys; buildings at the school for the Deaf and other purposes. There is nothing wrong with making this expenditure on these buildings, but the education fund was never intended for that purpose, Mr. Speaker. The education fund should be used and used immediately to increase the grants to our schools. If the Department paid larger grants to schools our teachers could have salaries as good as those in other provinces. They would not then be leaving Saskatchewan in large numbers as they are at the present, in order to get bigger salaries in other provinces.

Yesterday, Mr. Speaker, in discussion on Dominion-Provincial relations, the Provincial Treasurer (Hon. Mr. Fines) used data which indicated that the Liberal Government at Ottawa was coming to his aid with increasingly generous subsidies. The new Tax Rental Agreement, which is offered, is much more generous than the old one. The minimum payment to Saskatchewan is being raised from \$15 1/4 to \$20 million. The Provincial Treasurer is permitted to use the 1943 population figures, which will provide him with a most generous subsidy. He is offered by the Dominion, two alternative methods, both using the national production figures, so that he can pick the method which best serves his purpose. These more generous features of the new Agreement have enabled the Provincial Treasurer to raise his estimates of the amount of the subsidy from \$19,948,000 to over \$24 million. As an expression of his gratitude, the Provincial Treasurer trotted out the usual silly C.C.F. argument about the proposals made by the Dominion, in 1945, at the Dominion-Provincial conference. He quotes these proposals, and then says, and I quote:

"Regrettably we have had to report to this House in each year of the present Agreement that no substantial effort has been made to put the 1945 proposal into effect."

A little later he said, and I quote:

"It must be recognized that the programme outlined to us in 1945, and for which we did relinquish certain fields of taxation, is far from being completed."

Just to get the facts on record, referred to by the Provincial Treasurer, Mr. Speaker, I am going to quote the proposals, using the words of the Provincial Treasurer:

"1. Continued use of certain provincial tax fields by the Federal Government."

And here is the situation: The new Tax Rental Agreement makes it clear that this continues to be implemented. The Government of Saskatchewan is only too glad to surrender certain tax fields to the Federal Government, because, in return, they get a subsidy — sums vastly greater than any they could hope to get out of the taxes which are surrendered.

"2. Old Age Pensions for all persons over 70 years of age to be provided by the Federal Government."

Again, Mr. Speaker, that proposal went into effect January 1st last and in Saskatchewan, today, persons over 70 years of age are receiving a basic pension of \$40 per month, paid entirely by the Liberal Government, at Ottawa.

"3. A joint finance scheme of old age pension assistance for those between 65 and 69 years."

Mr. Speaker, like proposal No. 2, this went into effect January 1st last. Under this plan the Dominion pays half of the pension going to people between 65 and 69 years. Federal responsibility for the care of all unemployable persons. For some years the unemployable and unemployed have been taken care of under the National Unemployment Insurance Act, passed by the Liberal Government at Ottawa. The same Liberal Government at Ottawa, each year, makes generous contributions to the Unemployment Fund. This scheme has been extended to embrace larger and larger classes of workers until the huge majority of workers who can be included are now included under this scheme.

"6. A programme of public works to be jointly financed."

Some Hon. Members: — What about No. 5?

Mr. Danielson: — I will come to No. 5. I am not going to miss it. The Dominion Government intended, and still intends, that this programme shall be put into operation when there is a danger of unemployment, Mr. Speaker. There been no unemployment since 1945. Nevertheless, the Dominion Government has already put into effect some part of this programme. Public Works are now in effect in some parts of this Province — I beg your pardon — Public Works are now being built and constructed in Saskatchewan by joint expenditure of Dominion and Provincial money. Grants have been made by the Dominion Government for the construction of schools providing vocational education at the secondary level. The Dominion Government is also paying 50 per cent of construction costs of the part of the Trans-Canada highway which is being constructed in Saskatchewan. The Dominion Government has offered Saskatchewan a generous grant for the construction of hospitals. If more of this money has net been used it is only because the C.C.F. Government is not providing the matching grant recognized.

I have left proposal No. 5, as cited by the Provincial Treasurer, to the last. Here is it:

"5. A Health Insurance Scheme, 60 per cent of the cost to be borne by the Federal Government."

Of the whole six proposals, this is the only one that has not yet been put into effect. Even this in respect, however, the Liberal Government at Ottawa has been providing the C.C.F. Government with considerable help in health matters. Each year for the past five years, the Dominion Government has made available to this province — to this Provincial Government — a sum of \$2 million in health grants. Some of these grants have not been fully used. I have already referred to the fact that advantage has not been taken of the hospital construction grant of about \$870,000 a year. The responsibility for that rests entirely on this Government. It is a regrettable thing, Mr. Speaker, that even the Budget Speech had to be made a medium for the spread of a lot of sloppy C.C.F. propaganda.

The subsidy of \$19 million paid to this Province by the Dominion, in 1950 and 1951, was large enough to cover all the expenditures made by the C.C.F. Government on health and social services. What I am talking of here, Mr. Speaker, is definite service to the people, and not expenditure on administration.

If you take figures for 1950 and 1951 public accounts on all the main health and social services, the expenditures total \$17 1/4 million. That still leaves \$1 3/4 million of the subsidy left. It may be argued that the services I am including do not cover this or that, or other minor matters. That does not matter, there is still \$1 3/4 million of the subsidy left to cover any of those minor services that might be added. The services which cost the C.C.F. Government \$17 1/4 million of net revenue expenditure, in 1950 and 1951 are:

- Grants to T.B. sanatoria;
- Operation costs of mental hospitals;
- Air Ambulance;
- Care of cancer patients;
- Grants and loans to hospital and health centres;
- Health grants to municipalities;
- Payments out of revenue account for hospital services plan;
- Mothers' allowance;
- The share of Old Age and Blind pension paid by the Provincial Government;
- Hospital and medical services for pensioners receiving the Mother's Allowance and related groups;
- Provincial social aid payments.

The total cost, Mr. Speaker, of all these services to the Province of Saskatchewan, and which this C.C.F. Government spent, was \$17 1/4 million. I am quite sure the C.C.F. can find a much larger figure than that. The C.C.F. would include not only the expenditure on actual services received by the people, but all administration costs. Some administration costs, are necessary. A larger part of the administration costs of the C.C.F. Government are completely unnecessary. The administration cost, in a considerable measure, provides benefits, in the form of employment, to supporters of the

C.C.F. party, rather than service to the people of this Province. The Dominion provided more than \$19 million subsidy, in the form of aid to social services extended by this Government. The Dominion goes into net revenue account. The \$17 1/4 million I have been talking of constitutes expenditure from that revenue account, Mr. Speaker.

In addition to this, the Dominion Government, in 1950 and 1951, paid \$6 million as its share of the Old Age and Blind pensions. And, in addition to that the Dominion Government paid \$2 million in health grants to the C.C.F. Government. This \$8 million is paid by the Liberal Government at Ottawa but it is spent by the C.C.F. Government in Regina.

In addition to all this, the Dominion Government makes expenditure of its own on social services in Saskatchewan. In the year 1950-51 they paid out \$20 million of family allowances, and in addition to that, about \$5 million of Prairie Farm Assistance payments. That is not by any means the whole story. The Dominion is spending, on its own behalf, other sums of money, in Saskatchewan, on health and other social services. Putting these figures together — the figures I have mentioned — there is \$19 million subsidy, \$6 million pension, \$2 million of health grants, or a total of \$27 million, which is paid over and spent by the C.C.F. Government in the city of Regina, which is paid by the Liberal Government at Ottawa, Mr. Speaker.

In addition to that the Dominion spent on its own account, in the year I am discussing, about \$20 million of family allowances and \$5 million on the P.F.A.A. Adding this to the \$27 million, you have a total \$52 million of Federal money that came from the Liberal Government at Ottawa into the Province of Saskatchewan, to help the C.C.F. Government.

No wonder they can spend a lot of money on useless things in this Province, which can never be defended by anyone who knows anything about financing, whether it is municipal, provincial, or any other type of financing. Anything that the C.C.F. Government in this Province is doing in regard to social service is quite insignificant, in comparison to what the Liberal Government in Ottawa is doing for the people in the Province of Saskatchewan.

The increase, Mr. Speaker, which is taking place in the net public debt can no longer be concealed. The figures given in this year's Budget Speech show that the net debt is about \$12 1/2 million greater than it was a year ago. Since the end of 1948, the increase has been \$15 3/4 million. From 1944 to 1948 the net public debt was decreasing. None of the credit for that goes to the C.C.F. Government in this province. The credit for the \$44 1/3 million goes to the Liberal Government at Ottawa. That government, in 1947, cancelled \$44 1/3 million worth of debt, owing to it by the Government of Saskatchewan. The C.C.F. Government expressed its appreciation of this by criticizing and abusing the Dominion Government.

Farmers and farmers' organizations reduced the net debt of the province by \$20 million. They have been paying off loans made on debts incurred on their behalf by previous governments of this Province. These debts have been paid off by the Wheat Pool, the Co-op Creameries, and by farmers who received seed grain and other similar assistance from the Government. The Telephone Company repaid \$2 1/3 million, which had been

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advanced to it. Members of the C.C.F. Government are fond of asserting that the Telephone Company made little profit under Liberal administration. That, Mr. Speaker, may be true — Liberal Government looked upon the telephone system as a utility that should render service at cost — they never regarded it as a profit-making undertaking. Its surplus earnings were used to repay loans made to it and to expand services. The C.C.F. Government have increased telephone charges to both rural and urban users to make a profit which they are using to cover the loss of Crown Corporations established by themselves.

Of that debt reduction, \$5 1/4 million, to which the Provincial Treasurer so proudly refers, was paid off by the Patterson Government, before the C.C.F. ever took office. He gave us figures for the reduction in the net debt, since April 30, 1944. The C.C.F. Government did not take office until July 11, 1944. In that period, the Patterson Government paid off \$5 1/4 million worth of debts.

Any debt reduction which has taken place through the C.C.F. Government in this province has been due to the sound financial policies of other agencies. The reduction is due to debt cancellation by the Dominion, and to debt repayment by farmers and their organizations; by the Telephone Company, and by the Patterson Government. But year by year, in each Budget Speech, the Provincial Treasurer, in talking of this net debt reduction has failed to give credit where credit is due. In his 1948 Budget Speech he said the reduction was \$68 1/2 million. This reduction, he said, was unparalleled in the history of any Canadian province. There is not even the slightest hint as to who actually made this reduction, Mr. Speaker. He thought this history-making achievement so good that he referred to it again in his 1949 Budget Speech. He mentioned the \$69 1/3 million reduction, and said:

"As indicated last year, this reduction is unparalleled in the history of any Canadian province, since Confederation."

Again, no credit, of any kind is given to those responsible for making the net debt reduction.

Members on this side of the House have insisted that this debt reduction should get the credit. So, in his 1950 Budget Speech, the Provincial Treasurer did shed a little light on the truth of the matter. He credited the Wheat Pool for having completed their payments of indebtedness of \$22 million, which the Pool undertook to repay, in 1933. He even said the reduction was partly due to the cancellation, by the Dominion, of certain relief treasury bills.

When he prepared his Budget Speech for last year, he had decided he could no longer get away with taking the credit himself, and the C.C.F. members opposite, perhaps, with the possible exception of the member for Canora (Mr. Kuziak) have refused to believe the story that the C.C.F. Government had reduced the public debt. So, in his last Budget Speech, he gave the figures and admitted that the net debt had a slight increase. He could have made the same admission the year before. These increases indicated that the addition to the debt being made by the C.C.F.

Government are greater than the reduction now being made by the farmers and others who are reducing their part of the debt for which they are responsible.

Last year, when he closed the budget debate, the Provincial Treasurer (Hon. Mr. Fines) made some important admissions. He admitted the correctness of our contention that other agencies, and not the C.C.F. Government were reducing the public debt. In his Budget Speech of last year he gave the reduction of the net debt as \$66 million, Mr. Speaker, and when I spoke in that debate I gave figures to show that the debt paid off by other agencies, in the periods referred to, was greater than \$66 million. It was at least \$71 3/4 million, Mr. Speaker. The figures which I used were obtained from the Public Accounts for the past six or seven years. The substantial accuracy of the figures was admitted, in answer to questions to the Provincial Treasurer, and in returns which he answer to questions tabled in this House.

In his speech, in closing the budget debate, the Provincial Treasurer admitted the accuracy of my statement. He said:

"I also want to say, very frankly, that I agree with the hon. gentleman that \$71 million was paid by these agencies.

"I am now prepared to accept the \$71 million statement. The \$71 million which was paid by telephones, by reduction on the part of the Federal Government by the \$5 million paid off in April 30, 1944 to July 10, 1944. I am prepared to accept all these things."

Mr. Speaker, that was quite an admission, because it branded as false the claim made, the Premier made, the Provincial Treasurer made, and made by the rest of the C.C.F. propaganda machine, that the C.C.F. Government had reduced the public debt.

The Premier, addressing a C.C.F. nominating convention, in North Battleford, said, on January 20, 1950:

"In the four years we were in office, we wiped \$72 million off the debt of the Province, having thereby saved a good sum in interest which we used to pay every year."

You will notice, Mr. Speaker, that he said, "we wiped it out" — not the Ottawa Government, not the Wheat Pool or the farmers, but "we wiped it out." Incidentally, the reduction of the net debt was not \$72 million, but \$66 2/3 million, at the time he spoke. He is the leading fiction artist of the C.C.F. propaganda machine! He never spoils what he thinks is a good story. (I use the word story advisedly, Mr. Speaker, for the sake of a few million dollars.)

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Having been compelled to admit that the credit for the net debt reduction was not due to the C.C.F. Government, the Provincial Treasurer (Hon. Mr. Fines) pulled a new rabbit out of the hat. I quote again, from his speech, in closing the budget debate, last year:

"In spite of the fact that we spent \$62 million on capital development we still reduced the debt by \$66 million. In other words, this Province is \$128 million better off, today, than it was six years ago."

Mr. Speaker, just consider the facts. It is laughable! The Dominion Government cancelled \$4 million of debt owing by this Province. Well, so far, I admit, thanks to the Liberal Government, that this Province is that much better off. The same may be said respecting the amounts paid off by the Patterson Government, by the Telephones, the farmers and farm organizations, of \$20 million. I agree that the farmers and farm organizations are much better off; but after this \$71 million is paid off, there remains \$148 million of net debt, most of which is the responsibility of this Government.

If the C.C.F. Government had paid off a substantial amount of debt there would be some credit coming to them, but the true reduction in debt, since 1944, was \$66 million. That was less than the \$72 million paid off and cancelled by other agencies than the C.C.F. Government.

The Government has, according to the Provincial Treasurer, \$62 million, but instead of reducing their part of the debt with it, they spent it, so he adds the \$62 million to the reduction of the \$66 million, and then he says: "Look, we are \$128 million better off." That is the method of C.C.F. financing!

The argument goes something like this, Mr. Speaker: A man owes \$150. He backs his neighbour's note for \$50, so his total direct and indirect liability is \$200. The neighbour pays off his note, so this reduces the man's liability to \$150. In the meantime, this man has been working, and has spent \$60. He could have used this to reduce his own debt but he does not do so. Instead, he spends the \$60 on a second-hand car, (just as the C.C.F. spends money on broken-down brick plants and used-up shoe machinery). Our man is very pleased with the results of his transaction. He adds together the \$50 debt paid off by his neighbour, and the \$60 he spent on the car, and he tells all his friends, "See, I am \$110 better off."

That is a typical case of financing, Mr. Speaker. That is what the C.C.F. Government is telling the people, and that is what they are putting down their throats. The people of the Province of Saskatchewan are being handed that kind of nonsense.

When the Provincial Treasurer adds to the debt of \$66 million paid by other agencies to the \$62 million of public money he spent, and says the province is \$128 million better off — and that is exactly he does! It is interesting to note that he did not put that kind of rubbish in his Budget Speech, last year; it was in his speech, closing the debate, which was not published and sent all over the country.

Premier Douglas: — It is in this year.

Mr. Danielson: — I am telling what you said, last year, now. The Budget Speech is widely distributed, Mr. Speaker. It goes to banking and financing houses, and the Provincial Treasurer (Hon. Mr. Fines) does not wish to insult their intelligence with that kind of nonsense. He said members on this side of the House cannot understand! Ah, Mr. Speaker, we understand it very well but we are not taken in by it by any means. He expects that the members of the C.C.F. side of the House will go out and repeat that statement. It is even conceivable that the hon. member for Canora (Mr. Kuziak) may believe it.

The Provincial Treasurer (Hon. Mr. Fines) more recently made a reference to the reduction of this debt rate to this Province. The greatest debt rate in this Province is the Provincial Treasurer, and his spending "spree" over which he is presiding, Mr. Speaker.

Before leaving this matter of the public debt, I wish to refer to an extraordinary omission in the Budget Speech of yesterday. Every previous Budget Speech delivered by the Provincial Treasurer has contained tables setting forth the salient facts about the public debt. These tables have, each year, been even better than 1944, and also for the last completed year, but in all cases, except one, they have tabulated the debt for the last year, and the year immediately preceding that. For example, in last year's Budget Speech, the tables show the net debt for 1944; the net debt for 1949 and the net debt for December, 1950. In his speech, last year, the Provincial Treasurer referred to the fact that the net debt, during this year had shown a small increase. This year the tables are entirely omitted, and there are no references to the change in debt for the past year. That was between December 1950 and December 1951. Had the Provincial Treasurer followed usual practice, and placed these tables on the records, they would have shown that, during the past year, the net debt had increased by \$12 1/2 million.

The Premier has said, on several occasions, that if the C.C.F. remained in office the total public debt would be wiped out. This Government, so far, has done nothing to reduce it and it is now rapidly increasing the public debt.

Mr. Speaker, the C.C.F. Government has gotten itself into serious trouble over Crown Corporations, in Saskatchewan. You remember the hopes that were held out for all the good they were going to do for the people of the Province? They were going to take care of our social services and everything else, and people were going to have all these things without money and without price! This, Mr. Speaker, was socialism in action! The essence of socialism is that the government owns and operates industry. It was from these industries that the C.C.F. were going to get revenue to pay for all the free social services which they promised in 1944. In 1944 and 1945 these industries were represented as important aspects of the post-war construction programme which was to rebuild an economy of peace. They were to lead to the creation of a more balanced economy and help guarantee security for our boys and girls in the armed forces!

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The Provincial Treasurer (Hon. Mr. Fines) was trying to persuade the people to buy these so-called "security bonds" then, and I quote:

"We have a challenge to hand to the people of Saskatchewan, to see whether they are prepared to invest money in a great cause."

The Government would, he said, use the money raised by the bonds for a woollen mill at Moose Jaw; a fish-developing plant; a boot and shoe factory. These are a part of the great cause, Mr. Speaker! The woollen mill reports a large deficit; the fish-developing plant, the shoe factory and the tannery have been thrown out the window by the C.C.F. Government themselves. Nobody else has done it. Socialism has been tried and found wanting, but the C.C.F. propaganda mill thinks it is necessary to pretend that this experiment has been found successful. They consistently misrepresent the facts, and also talk about the profits of these C.C.F. Crown Corporations.

The reports covering 1951 have not been tabled for some of the Corporations, and I can therefore only give now the reports covering previous years. Last year, in closing the budget debate, the Provincial Treasurer, in his speech, tabled a report summarizing the profits and losses for 1950. He referred to this at that time as an "official document." That table was an "official document" according to what the Provincial Treasurer said, at that time. Mr. Speaker, it was nothing of the kind! It was not an auditor's statement. The auditor's statement, which summarizes the results for 1950, was not tabled until this Session. It is the annual report of the Government Finance Office for 1950-51. This report is labelled "1950-51" but it reports and summarizes profits and losses covering the calendar year 1950. The report tabled this Session disagrees very considerably with the statement tabled by the Provincial Treasurer, last Session. The statement presented by the Provincial Treasurer, last year, gave us the aggregate profit for 1950 as \$3,815,000. The Provincial Treasurer said:

"This return shows, for the year, on all Corporations, a profit of \$3,815,000."

The auditor's statement which we just got this year, Mr. Speaker, gives a different figure entirely.

Before I deal with this difference in the profit, there is another difference in the two reports which I want to refer to. The statement tabled by the Provincial Treasurer, last Session, included figures for the power Corporation. These figures are omitted from the Auditor's report that we got this year. No explanation has been given to this House about this discrepancy, or what the reasons are. I suppose, before the Session is over, perhaps we may get that information.

For the purpose of the point I am discussing, and to make the two reports compare in this respect, I am going to subtract the interest and profits of the Power Corporation from the total of \$3,815,000 given to the House, last Session, by the Provincial Treasurer. The result is then a total, not of \$3,815,000, but \$2,468,000, Mr. Speaker. Now I come to the serious inconsistency between the statement of the Provincial Treasurer and the Auditor's report. Taking off the figures for the Power Corporation, the Provincial Treasurer claims profits of \$2,468,000.

You will find a figure close to that in the Auditor's report — the difference is unimportant — there is just a small difference. The Auditor's report, tabled this year, on page four, gives the total of net revenue from Crown Corporations, before interest on advances, of \$2,473,000. That is gross profit; and from these gross profits the auditors subtract the office expenses of the Finance Office — \$72,000 — and also the interest paid to the Provincial Treasurer on advances — Saskatchewan Government Telephones, \$205,000. The auditor concludes the summary by giving the balance transferred to surplus account of \$1,899,000. The Provincial Treasurer's statement last Session, with Power figures omitted, reported profits of \$2,468,000 — a difference of \$580,000. If the Power Corporation figures are left in this statement of the Provincial Treasurer, and put into the auditor's report, the profit claimed by the Provincial Treasurer amounts to \$3,815,000; and the profit in the auditor's report would be \$2,414,000, Mr. Speaker — and not, as the Provincial Treasurer told us, last year, \$3,815,000. There is a difference of \$1,401,000. Of course, I suppose that is not of much importance to the Provincial Treasurer (Hon. Mr. Fines).

When the Provincial Treasurer made his statement last Session, he included the figure for the Power Corporation. The figure on profits which he gave was \$1,400,000 greater than the figure which the auditor gave. This is a practice which has been followed from year to year. Each year a statement about profits is made in the House. The profits used are gross profits, Mr. Speaker! Each year the auditor's summary is delayed; it is tabled one year later, and gives the net profits!

For 1947, the Premier said the profits were \$2,570,000. The auditor's figure was \$1,806,000. For 1948, the Provincial Treasurer said the profit was \$3,152,000; and the auditor's report, tabled in the House one year later, gave the figure of \$1,995,000. For 1949, the Provincial Treasurer said the profit was \$3,270,000; and the auditor said \$1,299,000. In 1950, the case, as I discussed it a few minutes ago, is that the Provincial Treasurer said last year's total profits were \$3,815,000; and on a comparable basis, that is, including the figure of the Power Corporation, the auditor's report would give the figure of \$2,414,000.

Generally, the press has picked up the first statement made by the Premier or by the Provincial Treasurer, and has given that statement wide publicity. No reference has been made in the press to the Audit statement which is held back in each case, for one year. All this, of course, is just what is intended. Last year, a member of the staff of the Regina "Leader-Post" took the report for 1950 for each Crown Corporation, as tabled in the Legislature, and he worked out, a total amount of profit of \$2,640,000. The next day the Provincial Treasurer (Hon. Mr. Fines) rose in the Legislature and protested against the article published by the Leader-Post. He complained that that article included figures for the compulsory automobile insurance. That was neither here nor there. The main complaint was that it did not agree with the statement which he tabled in the Legislature. The Leader-Post article gave the profits as \$2,640,000, while his statement had given the profits as \$3,815,000. For once the Leader-Post, instead of taking the provincial Treasurer's figures, had worked the thing out and produced a figure, which was approximately the figure which would be given one year later, in the auditor's report. After

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the protest of the Provincial Treasurer, in this House, there was an article which explained just what was taking place — that the Provincial Treasurer was using gross profits, while the Leader-Post article had used net profits. The Leader-Post had just followed the practice, used year by year, in the auditor's report of the Government Finance Office, when it summarizes and totals the profits on these Crown Corporations.

The C.C.F. has constantly, Mr. Speaker, used another form of misrepresentation when talking about these Crown Corporations. They have claimed that the total gross profits were used to pay for social services. Premier Douglas has been one of the chief sinners in this respect. Speaking at the nominating convention in North Battleford, on January 20, 1950, he deliberately left the impression that the Crown Corporation gross profits for the previous year of about \$3 million, had been paid into the treasury to be used for such services as roads, schools and hospitals.

Here they have been speaking of the services which the Premier said the C.C.F. have provided. He went on to explain where the money was coming from to pay for these services. After mentioning one or two sources, he said, and I quote:

"We are getting money and this will surprise you — why sure we are getting money from our Crown Corporations."

His discussion of Crown Corporations ended with this statement, and again I quote:

"When the people come and talk to you about the Crown Corporations of the Government of Saskatchewan, will you tell them that this statement which I hold in my hand shows — and remember that these accounts were before the Crown Corporation committee of the Legislature on which the Liberal members sit, as well as the Government members — and it was passed by that committee and that committee could find nothing wrong with the statement. What does it show? That for the last fiscal year, including those on which we lost money — the brick factory and the woollen mill . . .

He does not say anything about the tannery and the shoe plant.

" . . . including the whole lot, the entire eleven Crown Corporations, we made a clear profit after paying for depreciation and setting aside what was necessary, we made a clear profit of \$3,152,502 for the people of Saskatchewan.

"That, my friends, is \$3,152,502, which normally would have gone out of this Province into the pockets of the big companies in New York, Toronto, and Chicago. This \$3,152,502 stayed in this Province to help build roads and schools and hospitals and to help the people of Saskatchewan."

Can you beat it, Mr. Speaker? Can you beat it? Not one cent Mr. Speaker, of that \$3 million odd dollars could possibly be used to pay for roads, schools and hospitals. It is quite easy for me to prove that statement.

The report to which the Premier referred showed gross profits of Crown Corporations at \$3,152,502. The very report he was using showed that the auditor had deducted, from that, \$55,000 as he expense of the Government Finance Office; \$1,102,000 was interest payment made by Power and Telephones. None of that money could be used for services by the Government. None of that money used to finance the Government Finance Office could be used on roads, schools or hospitals. It had been spent to pay the salaries of the back-room boys and their office expenses, and travelling expenses. The \$1 million odd of interest paid by the Power and Telephones was paid into the public treasury, but it was paid out again to the persons who held the bonds used to provide capital for the Power and Telephone corporations. A lot of that money went to New York, Chicago, Toronto and other places, to the bond holders.

The Provincial Treasurer has, from time to time, spoken with great pride of his conferences with the capitalists in the United States. That is where he is raising his loans and that is where his bond interest is going. When these expenses of the Government Finance Office and interest payments of Power and Telephones are taken from the \$3 million odd the Premier referred to, there is \$1,995,000 left, Mr. Speaker. From that amount \$1,636,000 was surplus earnings of Power and Telephones. Not one cent of that could be used to pay for roads or schools or hospitals.

The financial statement of these Corporations shows that these surpluses were retained by the Corporations and used for their own capital expenditures. The Premier, himself, has said, in this House, that the surplus earnings of these Corporations are left with the Corporations. Take this away and you have left \$359,000, which is all the profit the C.C.F. Crown Corporations earned in that year.

But none of that can possibly be used to pay for roads or schools or hospitals. In the year referred to, these C.C.F. Corporations were using of advances of \$8 million. On that \$8 million those Corporations did not pay once cent of interest. Only the Power and Telephone Corporations pay interest. The money loaned to the C.C.F. Crown Corporations is part of the public debt of Saskatchewan. Some of this is again money for New York, Toronto or Chicago.

That year, the Provincial Treasurer was paying an average rate of more than 4 per cent on the public debt — 4 per cent on \$8 million is \$320,000, Mr. Speaker — subtract that from the \$359,000 profit of the C.C.F. Crown Corporations and all you have left \$39,000. Even that amount could not be spent on roads, schools or hospitals. There were numerous operating costs of these C.C.F. Corporations, in addition to the interest charges, and these were being paid out of the public funds. The audit cost alone would use up the \$39,000.

The Premier of this Province made a speech at the C.C.F. nominating convention, and that speech was being recorded as he made it. In that speech he said that Crown Corporations profit of \$3,152,000 for

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one year stayed in the Province of Saskatchewan to be used to build roads, schools and hospitals. The statement is false, to the extent of the entire amount. Not one cent of that money was used, or can be used, to pay for roads, schools or hospitals.

On October 17 last, the Premier was at a radio press conference. Several persons representing the press were there asking the Premier questions and the discussion was broadcast all over Canada. The statements he made were being recorded as he made them. One of the representatives of the press reminded the Premier that, before he was elected to office, he had said that the profits of government-owned industries would be used to provide the people of Saskatchewan free Social services. Quoting the Bible, he used to say:

"These services will be without money and without price."

Here is what the Premier said, and I quote:

"As a result of publicly-owned industries in this Province, we have had a net profit . . . (Mr. Speaker, net profit!) . . . each year of from anywhere from \$3 to \$5 million.

"Our profits, last year, were in the neighbourhood of \$4 million, a return of about 9 per cent on the capital invested."

A member of the press went on to point out that this figure of \$4 million included interest payments and surplus earnings of Power and Telephones. To this the Premier replies, and I quote:

"We do not separate these industries. All the profit made from the government-owned industries will go into the public treasury. Last year there was almost \$4 million."

I could take this \$4 million, and I could, as I did the \$3 million figure which he used in North Battleford, show the result to be exactly the same. This is the Premier's \$4 million whopper! Up to the time the Premier made this statement on the air, total profits which he and the Provincial Treasurer (Hon. Mr. Fines) had claimed for the Crown Corporations was about \$15 1/4 million — this included the profits from 1946 to 1950. A large amount of this \$15 1/4 million was interest payments made by the Power and Telephone corporations — this money is going to the bondholders in New York, Toronto or Chicago, just as much as Saskatchewan bondholders who have never left here.

Another large amount is surplus earnings of the Power and Telephone corporations, which has been used for the capital expenditure of these corporations. This is part of the \$62 million capital expenditure which the Provincial Treasurer was talking about last year. The interest payments of the Power and Telephone corporations have been paid into the

revenue account, apart from the entire amount of the \$15 1/2 million, which has been paid into revenue account and which was paid at the time the Premier was making his statement, in the amount of \$2,100,000. That amount is referred to on page two of the Annual Report of the Government Finance Office for 1950-51, which was tabled in this House just a few days ago. I quote from that report:

"During the period under review, the Government Finance Office paid to the provincial treasury \$580,000 from surplus account, bringing, to \$2,100,000 the total paid to the provincial treasury from surplus earned by Crown Corporations since the Government Finance Office was established."

Not \$15 /4 million, Mr. Speaker — but the total is, as I said, \$2,100,000, and that is the total paid to the provincial treasury from surplus earned by Crown Corporations since the Government Finance Office, was established.

That, Mr. Speaker, is taken from the annual report of the Government Finance Office. This report is signed by: "Your Obedient Servant, 'C.M. Fines', Provincial Treasurer and Chairman, Government Finance Office." The Provincial Treasurer (Hon. Mr. Fines) has to be very careful what he puts in this report, because it has always got to be signed by the Provincial Auditor as well, Mr. Speaker.

According to this report, the Crown Corporations have paid of this entire surplus of \$15 1/4 million claimed, only \$2,100,000 into the revenue account. This figure agrees with the tables of receipts on revenue account in the Public Accounts for the past few years. It is questionable whether a single cent of this \$2,100,000 has been used to pay for social services. It has been put into revenue account, but I question whether a single cent of this \$2,100,000 has been used to pay for social services. That money has been put into revenue account, but larger sums of money, each year, have been taken out of revenue account to pay interest on money loans to the C.C.F. Crown Corporations, to pay their audit costs and to pay the salaries and office expenses of the Planning Board, part of whose duties has been to plan and supervise these industries.

There are only a few of the operating costs of the C.C.F. Crown Corporations which are being paid out of public revenue. A considerable amount of the time a large number of civil servants are devoted to working on matters of these Crown Corporations.

I am not here to discuss the question as to whether the Crown Corporations are good or bad. I am talking about the constant, distortion of the facts which is going on. Some of these Crown Corporations may be rendering a service, and have some merit, but this constant campaign of distortion and misrepresentation is despicable C.C.F. propaganda about the profits of these corporations — originated by the Premier and the Provincial Treasurer, and spread by the lesser C.C.F.ers. It is so vile that it stinks to high heaven, Mr. Speaker.

I think you will gather from what I have said that I shall the not support the motion.

Mr. Arthur T. Stone (Saskatoon City): — Mr. Speaker, the last time I spoke in these Chambers I was instrumental in providing some material for some of the members on the opposite side to talk about. In fact, three or four of them spent a whole broadcast period on matters which I spoke of in this House before. It appears to me that they are so devoid of material that I hope I can provide them with something to say again while I am on my feet.

Usually we are in the habit of hearing at least half a dozen of the other side when they are congratulating the mover and seconder of the Speech the Throne. They congratulate them and say "considering the material they had they made a pretty good job." But that is pretty difficult to say to our Provincial Treasurer (Hon. Mr. Fines). I have listened to about eight Budget Speeches and I am of the opinion that, year by year, they get better and better. And certainly, I think the Provincial Treasurer will be the first to admit that he does not lack material to bring in his Budget Speech. Certainly, this Government cannot be accused of being dead on its feet. Three or four times — we have only been sitting now about three or four weeks — in that short time, the Leader of the Opposition (Mr. Tucker) has been hanging on the ropes, breathless and unable to keep up with the speed of this Government. He has protested on three or four occasions that we are going too fast for him. I can say that the address of the Provincial Treasurer was a masterful one.

I have a little praise for the member from Arm River (Mr. Danielson). I cannot hear from my seat half of what he says, and that which I can hear I cannot understand, but I do appreciate the spot that he is in. He is in a pretty tough spot, having to be the financial critic for the Opposition; but, after all, it does appear to me that he puts a lot of energy into his work in this Chamber, and it is unfortunate that he had been so bitter — and he has been bitter — ever since 1944 when his Party was transferred to that side of the floor. He has been bitter, and it seems to me that that takes some of the effectiveness from his work in this House. I am not going to deal with many of the charges he has laid, this afternoon. They have all been dealt with time and time again.

But just to illustrate what I mean, he mentioned about the matching grants of the Dominion Government for hospital construction. He ignores the fact, of course, that this was the first Government in the Dominion of Canada that ever gave outright grants to the building of hospitals. All my friends on the other side of the House conveniently forget that part, even though almost every one of them has known of the fact that inside their constituencies, hospitals have received outright matching grants and have been given loans besides. I think it was on account of the C.C.F. Government pioneering in this field that the Dominion Government was put to shame so that they came out with outright matching grants. It is rather to the shame of the Dominion Government, too, that they would not recognize the work that we had done before they came into this field and would not give us some credit for the work we had done and the money we had given to the hospitals that have gone ahead with their various programmes. Today we are suffering because we pioneered and the provinces who hung back and did nothing are the ones who are receiving the greatest amount of credit along these lines.

There is one other matter that I want to deal with. The member for Arm River (Mr. Danielson) says:

"The Dominion Government gave us \$20 million in family allowances."

Well, that is just half true, Mr. Speaker. It is true they have paid out \$20 million in family allowances, but they give it into one hand and take out of the other hand. They give it to the women and the men pay it back in personal income tax. It is very difficult to say just how much they take back, but I would venture a guess that more than 50 per cent of this money is taken back in personal income tax.

The member for Arm River dwelt quite a lot on the generous amount of subsidies poured into this Province by the Dominion Government. If we take, for instance, the income tax that our farmers pay in this Province and the measly amount of family allowance we receive in return, we will see that those subsidies are not so generous. When we go down to Quebec and take the income tax that our farmers pay and see the enormous amount of family allowance that they receive in that Province, there is absolutely no comparison. We claim that the subsidies that we are receiving from the Federal Government are not nearly enough and should be considerably more, based on the need of the people of this Province.

I, Mr. Speaker, am not like many of the members on the other side of the House. I do not pretend to be an expert in every department of government. I am interested in certain departments because they vitally affect the people of my constituency and I am very glad that that this Government is continuing to do a good service for my people in social welfare, labour, health, education and so on. Before this Government came into power the Liberal Government did not pay too much attention to the large urban centres. They did not have to worry too much. The old Liberal party could get too many seats in the rural constituencies to worry too much about the large urban centres. And so we did not have a Department of Social Welfare or Department of Labour. They were usually grouped in among some of the other departments. We were not worthy of these special considerations. But I am glad to see that we are continuing progressively on these very responsible Departments under the leadership of this Government.

I want to say a little about labour, because we are told that labour is turning away from the C.C.F. Somebody overheard a conversation on a bus and he is satisfied that labour is turning away from the C.C.F. It been intimated that a Liberal candidate will represent Saskatoon and its people after the next election. I possibly do not know as much about those people as some of the members on the other side, but I do claim to know a little, and I want to say this much — the Liberal party will never elect a candidate in Saskatoon, either in the Federal or Provincial field, until they can capture the labour vote. If my friends on the other side can tell me how they hope to get the Labour vote then I will concede that they have a chance. What has the Liberal party in store for the workers of this Province? We have never heard. We know what they did for us in the past, but we would like to know what their platform is for the future.

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Year after year after year labour came down here with their caps in their hands and on bended knees we asked "the dear kind sirs" that sat on this side to brush a few crumbs off the table for the workmen. And year after year we got the same old stock reply, "while we sympathize with your position and we realize that a worker is worthy of his toil, you must not forget that this is an agricultural Province and you cannot expect the same high standard as, for instance, Ontario, which is an industrial province."

Well, Mr. Speaker, our contentions are that we work just as hard in the Province of Saskatchewan and it costs us just as much to raise a family and maintain a good standard of living, in Saskatchewan, as it does in any other part of Canada. In fact, I can remember when I first started to work on the railroad, in 1913, the men — and I am speaking of workers in the shops — were given 2 cents extra — 2 cents more from the head of the Lakes west, than the workers in eastern Canada were getting — because it was realized that the cost of fuel and heavy clothing for the very severe weather made it necessary to have a little more.

And so I contend that our problems are just as great here, even though we are an agricultural province. Of course, my friends over there go out into the backwoods, out into the rural parts of this Province and they say to the farmer, "the reason for your high cost of production is because of labour legislation, the C.C.F. labour legislation." And then they come into the cities and try to tell the worker that they are going to do a lot for him.

I was interested to read the address that the hon. member for Souris-Estevan (Mr. McCormack) made to the Women's Club the other day. I suppose he knew who he was talking to and possibly thought he could get off the line a little. But the fact is, we do want to know, the workers to know what the Liberal party do with our Trade Union Act. That is the most important piece of legislation that we have on the statutes today. We suspect very much what the Government will do, but we would like very much to know and I think that, possibly, before this House ends, somebody over on that side will let us know.

We would like to know, for instance what you will do with the two-weeks' holiday with pay. I do not think that any government would have the nerve to take that away from the workers. But this is what is in our minds — what will they do? They will sabotage the administration of that Act and there will be many thousands of workers who are now enjoying two weeks' holiday with pay who will not receive them if the Liberal Government gets back into power, because of poor administration of the Act.

We remember, Mr. Speaker, what happened when the Liberal Government was in power, with regard to our Minimum Wage Act. We know quite well how that was enforced and we do not want to leave the enforcement of the other Acts to a Liberal Government.

Speaking of compensation, the member for Souris-Estevan (Mr. McCormack) said, "we introduced compensation." Well, he wants to look back a little and he will find that they were "on the verge" of introducing it. They were going to do it in 1929. They held a review, a commission or

something was set up and the workers would only elect them back they would bring in the compensation. But they did not get back and the Anderson Government brought in the Workmen's Accident and Compensation fund. It is remarkable to note, I might say, first of all, that the Act at that time was not all that we wanted. We had to make a lot of sacrifices. Previous to that we were on the old Compensation Act, which gave us 100 per cent of our wages if we were injured. Under the new Act, we only received 66 2/2 per cent of our wages. Quite a cut for a man who was injured. But, all in all, we thought the sacrifice was worthwhile for the reason that it did include a lot more workers who would receive no benefits at all under the old Compensation Act. We told the Anderson Government of that time that we appreciated the step they had taken, but we hoped that, in the very near future, as the Act progressed, that our benefits would be increased. And lo and behold, in came the Liberal party and, in 1936-37, a very nice amendment was introduced which took away the first three days of injury to a worker. That meant to say that he got no pay at all for the first three days of his injury. The Minister who was in charge at that time — I believe it was the hon. Mr. Spence, in 1936-37 — said, "Well, the reason for bringing that in was that I had some conversation with some workers down in Estevan and I thought from that conversation that this was what they wanted." And so, just from the little conversation of a group of workers in one end of the Province, the Liberal party brought in this very bad amendment.

Year after year we came down to them and we pleaded with them to remove this amendment. But, Mr. Speaker, not until the C.C.F. Government came in, in 1944, were we able to get that amendment changed, and a lot of other improvements made to the Act. We were the first province, of course, to increase the compensation to 75 per cent of their earnings. I might say that we passed more labour legislation in the special session of 1944 than the Liberal party has done in the whole time they have been in office, in this Province. I repeat that I think they are going to find it difficult to court the workers over to their side in the coming election.

I want to say how pleased I am that we are continuing on with the benefits of Social Welfare, the increase to our Mothers' Allowance. I am sure that nothing could be more appreciated than what we are doing for our mothers on allowance. We in the city, of course, find a great many of these people congregated in the urban centres. I was thinking as I sat here, that had the Liberal party been on this side of the House, and this possibly being an election year, there would be an awful scurry for a new courthouse or new land titles building or such for their constituencies, as a sort of memorial for the candidate to point out to his people, and say, "that is what I got you for my services down in Regina." I am interested, because I notice that some of the Federal members are already be beginning to beat the gun. I notice, in several places, they have applied for a new post office. And I thought to myself, well there are 190 odd Liberal members in Ottawa. By the time the last one gets down to the bottom of the barrel, it is going to be pretty thin and I do not blame then for trying to beat the gun and get a little before the time comes.

It is rather unfortunate that we could not move one of these nice courthouses that are strewn all over the Province to Saskatoon. I am

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sure everyone will agree with me that we have the most miserable courthouse that any place could possibly have. I appreciate all the people that have to work in there, and I sympathize with them too. I think that if a new courthouse has to be built, I am sure Saskatoon should be the first one that should receive consideration. I realize that building costs a great deal today and I realize, too, that the Government is building as the needs come, first. We cannot actually complain, Mr. Speaker, in Saskatoon, when we look at the wonderful buildings we have at the University. I am sure that all Saskatchewan are really proud of those buildings and they are admired and envied by many all over this North American continent. Those buildings, of course, have been set up at considerable expense to this University and its faculty and the standard of students that it turns out from that University. We have our new medical college and the hospital is now on its way. I rather surmise that one wing will be ready in the very near future and two or three are well on the way towards construction.

One of the very worthwhile institutions in Saskatoon, of course is our Government Nursing Home. I am glad to see that some provision is made at Melfort for the Government Nursing Home, because I do feel that, even in these larger cities, there is still further need for more of these homes. Many of our old people are living in very poor quarters. That Nursing Home was made available and it does accommodate nearly 100 of our sick and disabled old people. Alongside of that, of course, the United Church are doing a good job in a couple of buildings, in taking care of the ambulant cases of old people. Those are the kind of buildings that should be given first consideration. We need more accommodation of that kind and although we do need a new courthouse, if the choice was put to me, I am afraid that I would have to waiver in favour of similar kinds of buildings that we have there for our old people.

Saskatoon, of course, is becoming a very large centre for the distribution of electrical power. I believe that the Power House there has been increased twice and it is intimated that it will have to be increased further to meet the demands for electrical energy from Saskatoon. We in Saskatoon are very anxious to get natural gas into our city. Some mention was made — I do not know whether I am stepping over the line or not, Mr. Speaker — but we did grant a franchise to the Northern Utilities, in 1939, a 20-year franchise. The excuse then, of course, was that they could not get the pipe owing to the outbreak of war. By 1944, when this Government came into power the Northern Utilities had pretty well given up the idea of going ahead with their franchise. Five years of their contract had expired and it was pretty difficult, or, almost impossible, for them to raise the necessary capital at that time. When the hint was thrown out as to why we did not help Saskatoon to get gas, I might direct the question back, because the Liberals were in power and if they knew gas was at Brock, as they claim they did, why did not they do something to help Saskatoon get the natural gas?

When I look at the Power Commission and the wonderful job they have done in a short space of time; when you consider the trouble they had getting material and the other problems surrounding the Power Commission and the wonderful job they have done, I am satisfied that the people, not only of Saskatoon, but all over the Province, will be satisfied to leave

the natural gas in the hands of this Government and I am sure that they will make the same speedy and good job of distributing natural gas as they have done in distributing electrical power.

Now, Mr. Speaker, I do not think I will take up any more time. I want to just say a few words about the recommendation of the Provincial Government in regard to the Public Revenue Tax. It is true, in the cities, we have had a pretty high standard of education for a good many years. I think we have come to look upon, and more or less assume, that we should have a high standard; we have had it for so long. I think the schools can compare with any in the Dominion of Canada, in our cities. Our teaching staffs are good and there is no reason why any child who is raised in the city should not have the very best of education. We grumble, of course, if our mill rate is raised on account of the cost of education. We grumble a little, but I rather think there would be a lot more noise if our standard of education was cut down in the city in order to keep the mill rate down. I rather think so, Mr. Speaker. I cannot see any fair-minded citizen who would object to contributing some of the money from the Public Revenue Tax in order that some child who, perhaps, is unfortunate enough not to live in a rich municipality, acquiring a better or similar education as the children do in the cities and the richer municipalities. I do not think there will be any objection. We did not expect that the Opposition would be pleased by this proposal of the Government. We did not expect the "Leader-Post" would be pleased. The only way that we could please those two parties would be to have left it entirely alone, as it has been since 1918, and do nothing. They would have been pleased then; but I am quite sure that this is very distasteful to them.

And so, Mr. Speaker, with those few words. I am going to support the budget.

Hon. L.F. McIntosh (Minister of Municipal Affairs): — Mr. Speaker, last evening, I had an opportunity of listening in at an unbiased and impartial analysis of the Provincial Government's budget which was delivered in this House, yesterday.

In the discussion that took place, last evening, this group of men who are generally referred to as "business and financial people of our Province", mentioned the tremendous increase in the retail trade in this Province in 1951 over 1950. They referred to that as a denominator of the trend of financial conditions in the Province. They also referred to the return of 42 per cent on minerals in excess of the previous year. They referred to the \$21 million increased investments over the previous year. They also referred to the Federal Government's report on the investments that have taken place in our Province in the years 1948, 1950 and 1951, pointing out the tremendous increase in the investments as a fair gauge to the confidence that business has in the Province of Saskatchewan.

Having that in mind Mr. Speaker, and having in mind also that the gross cash income of our agricultural people increased 50 per cent over what it was in 1945, I can and do have a full appreciation of the very embarrassing position the financial critic of the Opposition was placed in, this afternoon, in attempting to take out of the Budget some figures that

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were never there; and to take out of the Budget some means of attempting criticism. I did note, however, that he referred quite frequently, if I heard him right, to the grants by the Dominion Government to the Province of Saskatchewan and I am wondering if he is not getting grants and Rental Taxation Agreements rather confused. After all, I would like to make it quite clear that there is a Rental Taxation Agreement between this and many other provinces and the Dominion of Canada, whereby the provinces gave up certain fields of taxation in lieu of a cash settlement by the Dominion Government.

Now I wish, in the time that is at my disposal, to deal mainly with the Department over which I have the honour to preside. In view of the inference that was made a few days ago, in Committee — when a Committee set up by the Government of this Province, in 1945, was under review, and, in order to do justice to the members of that Committee and to the Government that appointed that Committee, may I draw to the attention of the House the minutes of a meeting held December 16, 1949, at the University of Saskatchewan, which all members of the so-called "Boundaries Committee" attended.

At that meeting I stated this: That my suggestion that the meeting be called was very largely based on the a anxiety evidenced in scattered areas throughout the Province relative to the proposed report. Committees from different sections of our Province had been in our office, seeking reorganization of their municipalities. We had received a delegation from the southwest portion, in the acute drought area, suggesting the disorganizing of their municipality. The Minister felt there was quite an evidence of anxiety on the part of municipalities and municipal associations that the report be completed, and he, himself, would very much like to be in a position to give the report some study in the very near future. The chairman of that committee stated the delay in bringing the report to conclusion was caused by terrific pressure of work and his having taken on work, on several committees, which demanded his time and attention — latterly, the South Saskatchewan Irrigation Committee of the past summer. Because of this, the Boundaries Committee report has been in abeyance.

Mr. Speaker, at the conclusion of this conference, I asked if the Committee felt that they would be frank in the report in the light of conditions facing the municipalities. It was the feeling of the members that they would be quite frank in their recommendations. At this point, I referred again to the time when the report might be expected. I mentioned the possibility that legislation might be required to implement the Boundaries Committee Report and the Britnell-Cronkite Report, and that it was quite imperative that some time be given to allow the Government and associations to study these reports. I visualized that once the reports were submitted to the Government it might take a committee several days, or probably weeks, to study the implications of these reports, and I stressed that time was becoming the important factor.

I have on file here, also, Mr. Speaker, a copy of a letter directed to the Chairman of that Committee, under date of December 31, 1951:

"On July 26, and again on October 6, 1951, I wrote you with reference to the Committee which was appointed to study the problems of municipalities in relationship to boundaries, mentioning that some of the members of the Committee were asking to be relieved of their responsibility and that before we could compensate them for their services rendered we would require an interim report of the work done by the Committee."

On February 19th of this year I received a letter from the Chairman of the Committee, who, may I say, has suffered considerably as a result of bad health. In this letter he states:

"I would like, at the outset, to reaffirm the apologies made to you over the phone with respect to the extreme discourtesy shown you in not acknowledging your correspondence . . . "

And further down he says:

"I have a rough draft of a memorandum or abstract report which I hope to have in your hands within a week or so."

Mr. Speaker, I believe that this file is evidence of the desire on the part of the Government to receive a report from such an eminent Committee in order that they might study this report in relationship to another report that I will refer to later on.

Mr. McCormack (Souris-Estevan): — Mr. Speaker, will the hon. Minister table the correspondence?

Hon. Mr. McIntosh: — I could, yes. I could if it is the wish of the House, Mr. Speaker.

Mr. Speaker: — It will be on the record anyway.

Mr. McCormack: — I understood the Minister did not read the complete letter, but just read an extract.

Mr. Speaker: — Will the hon. Minister table the correspondence?

Hon. Mr. McIntosh: — Yes, I have no objection to doing that whatsoever, Mr. Speaker.

I was interested in the Budget and it reminded me of a conversation that I held recently with one of the pioneer farmers of the Province of Saskatchewan. During the course of conversation we reminisced back to the days of the speculative market, and he recalled the period of time when a farmer had no choice in the delivery of his grain, other than to use a line elevator or the loading platform. Today, the loading platform is a very obsolete method of getting grain into a boxcar and moving it to its ultimate market. This chap used to load a considerable quantity of his grain

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over the loading platform and he said he would watch with anxiety for the out-turn grade, watch with anxiety for the dockage which that carload of grain might contain. The 1,000 to 1,100 bushels of grain in a car, being the first shipment of grain from the prevailing crop, naturally caused some anxiety because, to a certain extent, it might set the pattern for the balance of the grain which would be delivered at a later date. Then he said, in due course, a cheque would arrive setting out the charges and giving the net value of the grain, and he said: "We used to feel that, if we got about \$600 for between 1,000 and 1,100 bushels of wheat, we had struck a reasonably good market. But, on the other hand, that cheque of \$600 used to pay the threshing bill for the 8,000 bushels of grain I grew in that particular year and would also pay for the binder twine that I used in binging that crop. When I ship 1,000 to 1,100 bushels of grain, today, at present market prices, the return on that carload of grain will not pay for the twine and the combining that goes into the harvesting of 8,000 bushels of grain."

It is probably true that the Budget that was brought down in this Assembly, yesterday, is the largest budget in the history of the Province of Saskatchewan. It is probably true that the Budget that has, or will be, brought down in the provinces of Alberta, Manitoba and British Columbia, will be the largest budgets in the history of those provinces. However, might I assure the House Mr. Speaker that the purchasing power of this Budget that was presented yesterday, will be no greater than the purchasing power of the budgets that were presented in 1926 to 1929 by the government of the day.

Turning more specifically to the department which I have the honour to preside over, and for which we will be asking this Assembly for a sum of money to administrate, I would first like to mention that there are seven divisions within the Department — the Assessment Branch, Municipal Inspection Branch, Community Planning, Local Improvement District Branch, Municipal Auditing and Accounting and the Freight Information Service. The Municipal Advisory Commission will be associated with the Department of Municipal Affairs. There is also the Assessment Commission.

I doubt whether these reports, issued by the various departments of the Government, receive the attention and consideration they deserve by the elected members of this House. On page 10 of the Municipal Report, we have a few interesting figures relative to the work of the Assessment Branch, which was under the direction of Mr. T.H. Freeman, who retired on pension two or three months ago. May I take this opportunity of on behalf of the Government and on behalf, I am sure, of the municipal officials and municipal governments of the Province of Saskatchewan, deep and sincere appreciation for the services Mr. Freeman rendered to the people of this Province and to the governments of this Province, during the period in which he was Director of the Assessment Branch.

In 1950-51, all remaining urban municipalities were re-assessed. That means that all the rural municipalities, local improvement districts and all urban municipalities, under 15,000 population, have now been reassessed. Some 13 assessment districts have been set up in the Province, each staffed with qualified land valuers. Some of the districts are staffed with two, for the purpose of keeping a constant check on the assessed values of the properties of this Province. We feel that that is rather important. Last year, the year under review, the rural municipalities

and local improvement districts requested re-inspection of assessment on 4,646 parcels of land. These parcels of land were located in 181 different units scattered throughout the Province of Saskatchewan and they involved over 57 million acres. Now this gives you some idea, I believe, of the importance of maintaining accurate and up-to-date assessments of the properties of this Province, because a very increasing stress is being laid upon the assessed values of properties for many purposes.

In the field of municipal inspection services, and there are five men engaged in the field, the report notes that during the year under review, four villages were disorganized. Goldfields, which was conceded to be a ghost town up to the time this Government took an active part in the development of the north, has had a re-survey made of the area where old Goldfields once stood as a beacon of the possibilities of the mineral development in the Province of Saskatchewan.

The capital Uranium City of the North American continent will be located there. Notwithstanding some of the criticisms that we have heard during the past three weeks, it is noted that five villages were raised in status, to towns. The villages of Arborfield, Balcarres, Fort Qu'Appelle, Elrose and Sturgis were created towns during the year under review. Five hamlets moved from hamlets to organized hamlets. In addition to that, a very substantial number of inspections were made by the inspection staff during the year under review.

Little has been heard or said of the Community Planning Branch. The Community Planning Branch's field, up to the present time, has been centred very largely around planning, assisting in drafting bylaws and making alterations in cities and in towns. During the past year, 373 new subdivisions and 33 public reserves were surveyed and set out. There were 68 street alterations in towns, cities and villages, in order to give them a greater measure of protection against the increased traffic flowing through our urban centres in this Province. This work has been done without charge to the municipalities. There is some of interest on the part of rural municipal governments in community planning, and the time may not be too far distant when it will be necessary to expand the services of the Community Planning Branch in order that those other municipalities that are making inquiries may be served.

The Auditing and Accounting department is very largely statistical. It is interesting to note, however, in the report that was tabled a few days ago that the tax arrears, in 1950, in comparison with other years from 1929 up to 1950, including the tax sale certificates, showed that, in 1929, there were over \$22 million of tax arrears among all types of municipalities in the Province. Skipping a few years, coming to 1932, tax arrears were \$46 million; in 1936, \$62 million; in 1939, \$54 million; in 1942, \$44 million; in 1945, \$28 million, in 1948, \$49 million and, in 1950, the tax arrears were not in excess of \$21 million for all types and classes of municipalities in the Province of Saskatchewan.

I mentioned that the Freight Information Service has, in recent months, been placed in the Department of Municipal Affairs. It is generally expected that the technical personnel that has been working on freight rates during the past four years will be available as the secretariat and research staff required by the proposed advisory commission.

I think, Mr. Speaker that the House may be interested in some figures relative to the increased cost in freight to the people of the Province of Saskatchewan. It will be recalled that the railway companies asked for a total of 92 per cent increase in freight, and were granted 70 per cent. It is interesting to note what this may mean to the people of the Province of Saskatchewan. For instance, if you were bringing a tractor from eastern Canada to Regina, you would pay \$32.52 more freight on that tractor than you would have paid in 1948. If you were bringing in a combine, you would pay \$77 more than you paid in 1948. If you were bringing in a 28-run seed drill, you would pay \$21.17 more than you paid in 1948. In other words, the increase is on the basis of 70 per cent in excess of the freight charges prior to the first increase being granted. Now, if you were a rancher in the Maple Creek district, you paid 44 cents per cwt. to move livestock from Maple Creek to Winnipeg prior to April 8, 1948. If you were moving that same livestock today, you would be paying 84 cents per cwt., or an increase of 40 cents, during the past few years.

Now, Mr. Speaker, a great deal has been said about the increase in taxes. If we look at these increases in the cost of moving a combine, tractor or seed drill from eastern Canada to Regina, we will find that that increased cost on those three implements is in excess of one year's tax on the average half-section of land in the Province of Saskatchewan. I expect to deal with that a little more fully later on.

The Freight Information Service was set up for two purposes. One, to assist legal counsel in the technical staff in the battle on freight rates; two, for the purpose of checking Government freight rate bills. Now the group on the on this side of the House, Mr. Speaker, is not the only group that makes mistakes. Sometimes railway companies make mistakes in making their waybills. Sometimes they put the wrong classification for a type of freight.

The Freight Services, in checking over some \$254,000 worth of freight rate bills for the Government, made a saving of 1.3 per cent in the freight charges on that amount of freight bills. Now we have undertaken the checking of some trucking freight bills as well, and we find quite a discrepancy between what they are entitled to charge, under the classifications, and what some of them did charge. So the Freight Information Services, we hope, will render considerable assistance to the Government in the checking of freight rate bills. Unquestionably the personnel of this Committee, who were closely associated with the Britnell-Cronkite-Jacobs report, will be in an excellent position to render statistical and secretariat service to the Advisory which was mentioned in the Speech from the Throne.

I would like to deal, now, with the Local Improvement Districts Branch. This department is charged with the responsibility of carrying out what one might term 'municipal government' in the unorganized areas of this Province. The unorganized areas consist of an area from Alberta to the Manitoba boundary on the north and a fairly substantial area toward the southwest part of the Province.

In the year under review the Local Improvement Districts Branch built, for the ratepayers within the Local Improvement Districts, 2,467 miles of road, regraded 2,272 miles of road, put in 298 new bridges and repaired 582 bridges. We are rather proud, also, of the clearing and breaking programme to assist settlers in the L.I.D.'s to become more self-sustaining. I do not wish at this time to go into the history of how these people happen to be located on the northern fringe of the settled area of this Province. That history is well known to some of the members opposite. But since we started a clearing and breaking programme to assist these settlers, we have cleared and broken, under this plan, some 65,000 acres — 65,000 acres of new land has been brought under cultivation as a result of a clearing and breaking assistance programme handled and administered through the Local Improvement Districts Branch and has been made available to some of the municipalities on the northern fringes of the settled area of this Province, because within the boundaries of those municipalities are some of the northern re-establishment settlers. These municipalities at one time were Local Improvement Districts.

In the Green Lake area — and that is a Local Improvement District — we have some 800 Metis people. These people have been in there for 200 years. They were there at the time of the Hudson Bay Traders and other traders to the north. The 850 people settled in this particular area gave a challenge to this Government to attempt to make them self-sustaining. It is very interesting to note that the works programme, carried on in that area included logging and sawing of lumber, taking out of pulpwood, clearing and breaking, fishing and the picking of blueberries. Not one able-bodied person has received social aid during the past three years. In that area we have what is known as a central farm is operated by the Local Improvement District Branch and is used as a demonstration and an educational farm to assist Metis in becoming more familiar with the problems of agriculture, looking forward to the day when a greater number of Metis people will settle on their respective plots that are set aside for them for that purpose.

On that farm, in 1951, though it was not a very good grain year, 4,000 bushels of wheat were produced, over 2,000 bushels of oats, over 1,100 bushels of barley. The alfalfa crop still stands in the field. But I thought would be of some interest to the Assembly, Mr. Speaker, is that we have now approximately 800 acres broken on 41 Metis plots in the Green Lake area. Some of the Metis are now settled and making their homes on these plots of land, which are broken and made available to these people. I might inform the House that on the central farm we have 109 head of cattle. We are naturally hoping that they are far enough removed to escape the foot-and-mouth disease.

Now, Mr. Speaker, with your permission, I would appreciate the privilege of adjourning the debate on the Budget.

The Assembly adjourned at 4.54 o'clock p.m.