LEGISLATIVE ASSEMBLY OF SASKATCHEWAN Second Session — Twelfth Legislature 20th Day

Wednesday, March 10, 1954.

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

BUDGET DEBATE

The House resumed from Tuesday, March 9, 1954, 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. T. R. MacNutt (Nipawin): — Mr. Speaker, at this time I want to congratulate the hon. member for Maple Creek (Mr. Cameron) for the very excellent manner in which he criticized the budget. He did a very good job, and I am sure that, if the Government would take his criticism seriously, a better job of financing this province would be made. He must have made a good speech, Mr. Speaker, because every government speaker, so far, has endeavoured to pull him to pieces through a great part of their various speeches. And when a speaker makes his opponent do that, he must be hitting pretty close to home.

I was surprised and disturbed when, yesterday afternoon, the Provincial Secretary went after our new members of the Legislature, especially the hon. member for Souris-Estevan (Mr. Kohaly). I have always understood, Mr. Speaker, that at least at his first session unless he asks for it, a new member is pretty well left alone to give him a chance to find himself. The member for Souris-Estevan has conducted himself in a very excellent manner during this Session and has contributed generously to the work, and for a Cabinet Minister to say the things that were said, yesterday, and they are on the record, Mr. Speaker, it places the dignity of this House, in my opinion, at a new low.

Some Opposition Members: — Hear! Hear!

Mr. MacNutt: — Mr. Speaker, a week ago today, I listened with a great deal of interest to the Provincial Treasurer when he made his annual budget speech, which is supposed to tell us something about the amount of money that we expect to spend in the coming fiscal year, and also about the amount of money that we hope to take in. We heard that the economy of Saskatchewan is excellent; so good indeed that, without raising taxes, he should be able to collect a few more million dollars from the taxpayers of this province. This most satisfactory state of affairs of course, in the eyes of the hon. members on your right, is no doubt due to the efforts of the C.C.F. Government. Very little credit was given to Divine Providence for the bountiful crops that we have had over the last number of years; very little credit was given to the hard-working people of the province for their share in providing this very excellent state of affairs. And, Mr. Speaker, no credit was given to the Liberal administration at Ottawa for providing the best policies this country has ever known to make the good times that we now enjoy possible. And who did contribute, during the year 1953, funds in excel of \$64 million to the Government and to the people of the province.

Policies affecting the economy of the country are not always made in the various provinces of our country; the overall policy is made in Ottawa. Because these policies have been so good we have been able to climb on the

bandwagon and improve our position, but not to the extent that I believe it could have been improved. Had we had anything but a Socialist Government in power during the last ten years, we might have been in the happy position of our sister province of Alberta, which, this coming year, expects to spend something over \$200 million for the benefit of the province, without hurting their people too much.

Hon. Mr. Brockelbank: — A Social Credit government.

Mr. MacNutt: — We in Saskatchewan, with a Socialist Government, expect to spend around \$78 million and, in my opinion, we are going to hurt our people. It has been said by people who should know that there is as much oil under the province of Saskatchewan as there is under the province of Alberta. With a free-enterprise government in power, they have been getting that oil out; while we, with a Socialist Government in Saskatchewan, have been playing around with it and are now just getting started.

Hon. Mr. Sturdy: — The Liberals didn't find much!

Mr. MacNutt: — I did not hear anything in the budget speech, Mr. Speaker, regarding the tremendous raise in automobile rates. Of course, the Government will contend that this is not a tax. Perhaps when the people go to buy their licences, this year, there could be some argument about that. I do not like compulsion, but we do have to have a certain amount of it, and what I am going to say, Mr. Speaker, I think is constructive.

I take no exception to paying a compulsory tax or rate (if you like to call it that) for property damage and public liability. That is put there to protect my neighbour against me, and I think that is only right and proper. But I do not see any reason why anybody should tell me that I have to insure my car against fire, theft and collision. If I want to go and turn my car upside down and smash it all to pieces, that is my business, and if I do that and cannot afford to buy another car, not having taken out any insurance, then I should be made to walk. Let us carry on with the compulsory property damage and public liability, but let us strike out the fire, theft and collision. With a \$200 deductible clause in there, it does not mean too much anyway. This, I contend, should make the rates reasonable, and within a reasonable period we should be able to pay off that deficit which was allowed to accumulate prior to the election of 1952. I am satisfied this would meet with the approval of the people and, Sir, I would not be surprised if something like this is not brought in, possibly in a few years – say about 1956. Of course, the C.C.F. do not do things like that just prior to an election!

My thoughts take me back to the 'thirties, when revenues were not as buoyant as they are today. Saskatchewan was having quite a struggle. Taxes were not being paid and schools were in a very bad way. The government of the day decided to levy a tax of 2 per cent at that time to be used for school purposes, and it was called the 'Education Tax'. Great exception was taken to that tax at that time by members of the C.C.F., but it was felt by the government of the day that the people could pay a few pennies a lot easier than they could pay larger amounts and, in the aggregate, it would amount to a fairly reasonable sum of money. I well remember that, during the campaign of 1944, while the C.C.F. policy did not claim they would abolish the tax, it was intimated in no uncertain terms that, if the C.C.F. were elected, that tax would go.

Hon. Mr. Fines: — No, no!

Mr. MacNutt: — Even the Provincial Treasurer said, in a later speech, that the tax was regressive and a nuisance. The policy was, after they were elected, that as soon as new fields of taxation could be found to take its place the Education Tax would be abolished. Well, they did abolish it. They abolished the Education Tax, the tax of 2 per cent, and I suppose by doing that they can say they kept their promise. They immediately replaced it with the Education and Hospitalization Tax of 3 per cent. Mr. Speaker, I am not opposed to this tax; I never have been. I feel it is a tax that can be paid fairly easily by the people of this province. The point I am trying to make is that there is not a doubt in the world but that the people felt, and were given to understand, that if the C.C.F. was elected that tax would be out.

On various occasions when I have been on my feet in this House, I have spoken of that north country in which I live. I will probably say something about that great country every time I get on my feet, because I can see the possibilities there, and I can see what a great asset it is not only to the people of the north but to the people of the whole province of Saskatchewan. No wonder the Saskatchewan Government chose the north in which to settle ex-servicemen, a few years back!

I do want to dwell, for a few moments, on the settlement of ex-servicemen at Smoky Burn and the Connell Creek area. When that project was started a very rosy picture was painted. Co-ops were formed, heavy machinery purchased, leases were issued, a few roads were built, land was cleared and the crops were seeded. Then the rains came. There was no proper drainage system, a lot of the land was flooded and the crops were ruined; roads were inadequate. Do you wonder, Mr. Speaker, that the people got downhearted? They were ready and willing to work but, due to the bungling and mismanagement of the Government at that time, there was little they could do about it. The story of Smoky Burn co-op farms is a very dismal one, not due to the failure of the people up there, who went up there to do their work in good faith, but due to mismanagement on the part of the Government.

Hon. Mr. Sturdy: — What about Divine Providence?

Mr. MacNutt: — Is it any wonder, Mr. Speaker, that the Royal Commission on Agriculture takes this Government to task and criticizes them soundly for their part in it?

I have been asking a few questions in this House, and I find that on December 31, 1949, there were 48 leases issued in the co-op farm at Smoky burn. In 1950, the number went up to 78; in 1951, it went up to 84; in 1952, 86, and at December 31, 1953, it was down to 41 in the co-op farms – 36 of those people have taken individual leases and are going on their own. That speaks for itself, I think, Mr. Speaker. I will say that since the Department of Agriculture has taken over that project things are improving, and I sincerely hope that the Minister of Agriculture will carry on with the work even a little faster than he is doing at the present time, and that in a few years those people will be able to have a chance to make the living that they so deserve.

Hon. Mr. Brockelbank: — Well, don't vote against the budget then!

Mr. MacNutt: — Mr. Speaker, we did not hear too much in the budget address about assistance to rural municipalities. In 1952, the rural municipality of Nipawin and the rural municipality of Moose Range (both in my constituency) were granted certain sums of money to build roads through

their municipalities. That road was east of Nipawin through the R.M. of Nipawin, and it was to go through the municipality of Moose Range and then on out to the co-op farms. The R.M. of Nipawin spent their money and built the road; the R.M. of Moose Range had some trouble with their contractors and were not able to build the road that year.

During the last session of the Legislature, I interviewed the Minister of Highways in this Chamber just before the sitting started one day. I explained the circumstances to him, and asked him if it would be possible to get that money re-allocated for the R.M. of Moose Range. He told me he could not see any reason why it should not be re-allocated, and I think he meant what he said. When I went back to Carrot River, I advised the municipal authorities there that they had better write in and ask for that grant again, and I understand they did. The next thing I heard, Mr. Speaker, was that the grant had been refused. That went along for a while until 10 days or two weeks before the Federal election of 1953, when the Provincial Treasurer, according to the papers of that town, advised the people there that that grant would be made and the road would be built. Now, Mr. Speaker, is that the proper way to make grants to rural municipalities? We were glad enough to get the money and glad enough to get the road, even if it did have a political flavour to it. . .

Hon. Mr. Brockelbank: — That would be just like old times if it did.

Mr. MacNutt: — Mr. Speaker, rural municipalities have only one method of taxation. . .

Hon. Mr. Douglas (Minister of Highways): — I will give you all the facts on Monday.

Mr. MacNutt: — . . . and the burden is enormous. The land is carrying more than its share of the tax, and I think we will all agree on that. One farmer said to me, a short time ago, "I don't pay taxes, I pay rent." And he wasn't too far out. We receive large sums of money from Ottawa to help finance this Province. We, in turn, should take a reasonable share of the burden that is now shouldered by the rural municipalities. True, it is not as spectacular, possibly, as building highways, but it is just as important to have those main market roads built. I do not expect that this Government will be able to hand over as much money to the municipalities and schools as the Province of Alberta is doing – something around \$90 million they are giving; but I do think we can make a better showing than we are making, and I believe it is time we went after it.

Now, Mr. Speaker, in the budget speech by the Provincial Treasurer, I found no mention of our senior citizens. We have had old-age pensions for quite a number of years and, while the responsibility is ours and always has been, the Federal Government has always given us some assistance. A few years ago the Federal Government again increased their assistance to the point where every person 70 years of age and over now received a cheque of \$40 a month from the Federal treasury. We all realize that if a person has no other means of livelihood that \$40 is not enough. Now, Mr. Speaker, the responsibility is still ours, and what are we doing about it? Not very much.

I notice that both Alberta and British Columbia have increased the supplementary pension from \$10 a month to \$15 per month. These two provinces have free-enterprise governments, while we, in this province, with a Socialist government, a so-called 'humanity first' government, tag along with a

measly \$2.50. I say shame! Surely our senior citizens who have done so much for our country and who have worked so hard to make possible the good times that we now enjoy, should have better treatment than that. I am disappointed that provision for an increase in the supplementary old-age pension has not been included in the budget of this year.

Mr. Walker (**Gravelbourg**): — Why don't you write to Ottawa?

Mr. MacNutt: — Mr. Speaker, hon. members on your right will tell us that we on this side of the House are always asking for a reduction in taxes and more expenditure, and are, therefore, unreasonable. I recall a prophecy of Socialist speakers, some years ago, that these wonderful Crown corporations when they got going (and they have had ten years to get going), would supply enough profit to pay for these social services that we are enjoying. We hear wonderful stories from my good friend, the Minister of Mineral and Natural Resources (Hon. Mr. Brockelbank) about the wonderful finds of oil and gas. If these are as good as we are led to believe, there should be no difficulty in financing the few paltry dollars that would be required for the suggestions that I have made, today.

Mr. Speaker, I do not intend to support the motion.

Mr. R.A. McCarthy (Cannington): Mr. Speaker, in rising to take part in this debate, I first want to compliment the Provincial Treasurer on his very dramatic presentation of the Budget. I think the Provincial Treasurer missed his calling – he should have been in vaudeville; but nevertheless, he did do a dramatic job of presenting the budget. It was pleasant to listen to, although there was not too much in it.

Next I would like to compliment my seatmate from Maple Creek (Mr. Cameron) on his effort in the budget. He did a wonderful job, in my opinion, in plain language and in language that the average people of this people speak, and I think they understood him. It is a tribute to him that the speakers over on the other side, when they start to answer those criticisms, have not refuted very many of his arguments. The majority of the criticism he has received, as far as I have been able to make out, was personal criticism.

I also want to compliment the member for Rosthern (Mr. Carr). He is not here at the moment, but I am going to say it anyway: I want to welcome him to this side of the House. He is a young man with a wealth of experience in municipal affairs; he has a great personality, and I am sure he will, in days to come, make his mark in the parliamentary activities of this province.

I also wish to congratulate my good friend from Souris-Estevan (Mr. Kohaly). He has given a good account of himself in this House since he has been here. He is a member of a national Party, a Party with a proud record with us. I do, again, rather deprecate some of the personal remarks that have been directed towards him by members of the Government, and more especially when it comes from Cabinet members. The duty of the Opposition is an important function of democracy, and "Bob" has already demonstrated his ability to keep this Government on a straight track. I think he will be of great assistance to this Government.

There is no doubt this Government's large majority is a liability to it. They are using that majority, at Cabinet level, to throw their weight

around, failing to listen to the opinions and needs of the common people who elected them. In doing so they are sowing the seeds of their own destruction. We have had evidence of that in this House both last year and this year. Since coming to this Session, the pattern of the speakers from the other side of the House has followed the same line. they have four main topics. They criticize the actions of the United States government, the actions of the Alberta and British Columbia governments, and they even go over to Europe – with a notable absence of criticism of Russia. Why? I ask you, why? I will leave that to the members on the other side of the House to answer.

In my opinion, a great many members of the Government side have little or no factual knowledge to base their criticism on. It is just pure propaganda. I would suggest to the Ministers of Government, when they get up to speak, that they give us a history of what their departments are doing. That is what we are here for, and that is what we are interested in. They have some wonderful departments over there, and the story of them would be interesting. Some of them are well-managed, some of them are not so well-managed; but let us have the story of them — that is what we are here for.

When I say that, I want to say that I hope, when they are giving us the story of those departments, they will not do as the Minister of Telephones (Mr. Kuziak) did. I am sorry that he is not in his seat, but I am going to say it anyway. Yesterday, I sat here and wondered if my hearing was bad. I did not think a Minister would make such a statement; but I checked it up in the 'Leader-Post' this morning, and apparently I was right, because, taking it from the 'Leader-Post' this morning, this is what I heard and I couldn't believe I was right: "Mr. Kuziak stated that there had been no general increase in. . .

Mr. Speaker: — Order! The member must not refer to another member by name.

Mr. McCarthy: — I am sorry, I called him the Minister of Telephones.

Mr. Speaker: — No, you called him by his name.

Mr. McCarthy: — I am very sorry, Mr. Speaker, I hope you will pardon me. What I was reading here was a piece from the paper that does give his name.

Mr. Speaker: — That is all right.

Mr. McCarthy: — In the 'Leader-Post' this morning, this statement appears:

"Mr. Kuziak stated that there had been no general rate increase in telephones since 1919."

Mr. Speaker, that statement is not only untrue, it is stupid, and that is all I am going to say about it.

Premier Douglas: — It couldn't come from a better source!

Mr. McCarthy: — The second noticeable trend was that the speakers from the Government side, with very few exceptions, accused us on this side of the House of 'throwing mud' and 'wallowing in political mire'. There are very few exceptions to that – there have been a few, but they are very few. They all follow that same trend. Mr. Speaker, I resent that. I have never in my life resorted to that sort of thing. The people of my district have honoured me with almost every position of trust it has been possible to bestow

upon me. During my long career in the municipalities I have had but one election, and that was the first one. One does not have those honours conferred on him by throwing mud and wallowing in political mire.

Mr. Speaker, I am sure the most active C.C.F. member in my constituency would tell you that my political conduct, both on and off the platform, has been fair and above board. I say to the people opposite who indulge in mud-and-wallow tactics that they are not only casting a slur on the hon. members who have gone before us in this House, but they are also making it more difficult to get the proper kind of public-spirited men and women to represent us in this House in the future. Let us have less of it in all political parties, in the interest of this fair province of ours and in the interest of democracy. I say to you, Mr. Speaker, that all the virtue and all the knowledge in this House is not contained on the other side of the House. I am reminded of that verse in the old fourth reader that goes something like this:

"There is so much good in the worst of us and so much bad in the best of us, that it ill behoves any of us to speak evil of the rest of us."

The third notable trend in government speeches was their effort to take credit to the C.C.F. for every good thing in this province and to blame the Dominion Government for every little difficulty that arises in the administration of the affairs of this province. Look at the resolutions on the Order paper of this House, moved by C.C.F. members, Mr. Speaker, all asking the Dominion Government to do something – something they should be doing themselves. In my opinion, a great many of those resolution are political, placed on paper to embarrass someone either here or at Ottawa. Even the Provincial Treasurer (Hon. Mr. Fines), in his budget speech followed the same line when he was talking about possible recessions and depressions. He said, talking about recessions and depressions:

"It goes without saying the prime responsibility here rests with the Federal Government with its unlimited powers over fiscal and monetary policy."

Well now, Mr. Speaker. . .

Premier Douglas: — That is what the member from Nipawin just said.

Mr. McCarthy: — That is typical C.C.F. propaganda introduced into the budget speech. I suggest to you, Mr. Speaker, that the Federal Government has not unlimited power. The Federal Government is surrounded by the same restrictions as our provincial governments. . .

Premier Douglas: — Oh!

Mr. McCarthy: — . . . on a larger scale, Mr. Speaker, but they are surrounded by the same restrictions. Governments do not create wealth. The only money governments have is the money they collect from you and me in the form of taxes, licences, levies, etc., and to say there is no limit, that a government can go on taxing the people, whether it is in the provincial or federal field, is just simply tommyrot. That is especially true in Canada where we depend on our export market for 75 to 80 per cent of our products. We can tax ourselves right out of those markets because other people, without

taxation burdens, will undersell us.

I would like for a few minutes to talk about the periodic recessions and depressions that we are subject to. I have lived through three of them in my life, and they are not pleasant experiences. If you read history you will find that we have always had expansions and recessions. In the early days these recessions caused famines, disease and death. Today, with our improved methods, they cause us mental anguish, loss of property and personal inconvenience; but we in Canada do not have famine, disease and death. So we are progressing to some extent. Everyone has his own particular idea of the reasons and causes of these depressions, and his own particular solutions as to how they can be avoided. The C.C.F. will tell you that the Federal Government can wave a magic wand to prevent them. The labourer will tell you that industry is to blame. Industry will tell you that labour is to blame. The pacifists will tell you that war is to blame. Some will say our financial institutions are to blame. The businessman will tell you that taxes and credit beat him. The farmer will tell you the weather and markets are to blame for his condition, and so on administration infinitum. My own opinion is that we are all to blame. We forget the common law of gravity – that what goes up must come down. We forget that. It is possible some of these recessions are a blessing in disguise as they tend to put our economy on a sounder basis; but I do hope we will never have one as severe as the 'thirties.

I don't think anyone can deny that, in the last 10 or 12 years, we have come through a period of expansion unparalleled in our history. This expansion, in my opinion, was not because we had a C.C.F. government in this province, but in spite of the fact that we had a C.C.F. government. That expansion has been common all over the western world. What attitude do we find our C.C.F. government taking to meet the impact of a recession? Are they adopting a prudent policy in public expenditure? If you look at the budget you will find that they are increasing expenditures in every department, except grants to rural municipalities. They have increased the public debt; I am not going into the argument as to whether it is net debt, gross debt, deadweight debt or any other kind of debt. To me, a debt is a debt. It is something you have to pay, and there is no doubt the increase in debt has been made in the most prosperous times we have ever seen.

I would like now to discuss some of the problems that face our rural municipalities. As this provincial government is a creation of, and is under the jurisdiction of the Federal Government, so our rural municipalities were created by, and are under the jurisdiction of this government. I would like, for a moment, to compare the treatment the Federal Government gives to this province and what the province gives to our municipalities. The Federal Government pours millions into this province to assist this Government in carrying on its activities. There is \$26 million of a straight grant under Provincial-Dominion agreement, with no strings attached; it can be spent for any purposes this Government sees fit to spend it on. That is more than double the entire provincial budget of a few years ago. Then there are highway grants. . .

Mr. James Gibson (Morse): — Is the member reading his speech, Mr. Speaker? I think he is reading it word for word.

Mr. McDonald: — That's too bad, Jim, isn't it? We have a Speaker in the House, you know.

Mr. Speaker: — Order!

Mr. McCarthy: — Then we have highway grants for No. 1, family allowances, P.F.A.A. grants, P.F.R.A., old age pensions — all paid for by the Federal Government. then the Dominion Government gives assistance to this province for such things as education, pensions and partial payment for those old age pensioners between the age of 65 and 69. that, Mr. Speaker, amounted to approximately \$60 or \$70 million that the Dominion government poured into this province. Yet the C.C.F. over there are always harping that the Dominion Government should do more.

I would like now to discuss our school problems as they affect the rural areas of this province; and when I say rural areas I include towns and villages. First, I want to make my position clear with regard to larger units. I have been accused, both in this House and out of this House, of being opposed to larger units. That is not so. I am not now, and never was, opposed to larger units. We have approximately 85 or 90 per cent of our schools now in the larger units, and it will only be a very short time, in my opinion, until they are all in larger units. I recognize in larger units a sign of the changing times and an effort to improve our educational system. they are a new thing, in the experimental stage.

Some weaknesses of this system are becoming apparent as time goes on. I am not critical of that. It is to be expected; but I do not agree with some members on the other side of the House who think that, having set up the larger units, we have reached the utopia in educational needs of our rural children and that nothing more is necessary.

In discussing this important matter I think we should try and do it above the level of party politics. I am far more interested in the education of our children than I am in the political future or the political fortunes of any political party, including the one to which I have the honour to belong. All my life I have been interested in education. I have educated a family of seven, and I have served on a School Board for a long time and believe I have some knowledge of what I choose to call the practical mechanics of education.

It is the opinion of many that our rural schools are being treated as poor relations as far as this Government is concerned. They are not receiving a fair share of government money being spent on education. I listened with a great deal of interest to the Minister of Education (Hon. Mr. Lloyd) the other day. I am glad to know that a million dollars more is being put into education. But he was very careful not to give the break-down between rural (and in that I include towns and villages)(and higher education. He was very careful not to do that. The Minister is an artist at juggling figures, but I doubt if he gave a true picture. He took the lowest assessed unit and broke down their grants into mill rates. That sounded big over the air, but he didn't fool me. Why, if he wanted to give a true picture, did he not take a school with an average assessment?

Latterly, when it served his purpose, he used a school unit with a high assessment. Meadow Lake has an assessment of \$5,300,000 – that was the first one he used. The next one he used, for a different purpose, had an assessment of \$23,800,000. He may have fooled a lot of people, but I still think our rural schools are not getting a fair share of government money being spent on education.

Mr. Speaker, I cannot agree with the Provincial Treasurer when he said, in his budget speech:

"At the local level education is supported by property taxes, a source of revenue far more stable than sales taxes, which will fluctuate widely. . ."

That, to me, is a rather queer thing to appear in the budget. It shows either one of two things. Either the Provincial Treasurer does not know the history of land tax with regard to schools in this province, or he is trying to apologize for the very small amount that is there. While it is true that grants to schools have increased and are increasing, the fact remains that they have not increased nearly as fast as the mill rate on rural property. The result is that rural taxation is carrying a much greater share of education costs each succeeding year. You could take a look at the mill rate in rural schools (and again I want to include village and town schools in that classification) and you will find that, since ten years ago, the mill rate has increased each year from 1 ½ to 2 mills, so that now we have a mill rate two and one-half or three times as large as it was ten years ago. While I know that large amounts of money are being spent by the Government on education, the rural people are paying a larger proportion of the share of the cost of education than they were ten years ago.

Mr. Walker (Hanley): — Oh no, nonsense!

Mr. McCarthy: —Mr. Speaker, less than 15 years ago a large portion of the land in my municipality reverted to the municipality for tax arrears. The total taxes on a quarter-section, at that time, did not nearly equal what the school tax is today. That is, 15 years ago, the total tax on some of my land was not as large as the school tax is, today. And yet a large portion of those farms reverted to the municipality for taxes – and the Provincial Treasurer calls that a 'stable base' for taxation.

During one of those years the only cash that my local school had was \$300 which they received as a government grant, and less than \$100 from the municipality. We carried those schools on our backs in those times. We (the local people) went to the bush and drew wood, brought it to the school yard, sawed it up and put it in the basement, and the only chap that got any money out of it was the chap who sawed it, and we paid for his gas. I wonder what would happen, today, under similar conditions. I point out to you that we have, today, the same land, the same class of farmers and we could run into the same sort of weather and economic conditions; and yet the Provincial Treasurer says that is a stable source of revenue.

Again, in his budget speech, he said it is insulated from economic fluctuations. Has he insulated our schools from economic fluctuations? I don't think so. I say we would be in a much worse position today under similar conditions than we were then, because our tax bill is three times as great and the Government is paying a smaller share – probably more money, but still a smaller share of the rural budget than it was then. So he is not in any way insulating our schools from economic depression.

The other day the Provincial Treasurer did me the honour to say that I was more interested in politics than I was in the welfare of the farmers of this province. I say to him, now, that I was in this province working in the interests of the farmers before he ever saw the province, and it is just possible I may be here, after he is gone, working in the interests of those same people.

I would like now to revert to those mill rates I was talking about a few minutes ago. The mill rates in larger units (and I want to include town and village schools in that) are approximately three times what they were a few years ago. I know that everything has gone up, and we cannot expect to run our schools on the same money that we did. Insofar as those increases have gone to pay teachers' salaries I am in favour of them, and I am going to have something to say, a little later on, about teachers' salaries; but I do think we will have to do something to stabilize our mill rate for school purposes. We cannot continue to allow our rural mill rate to go up 2 mills each year, and that is what it has been doing the past few years. It is not fair to the municipalities that more than one-half the rural municipalities' tax budget should be spent for educational purposes. I think you will all agree with me that the rural municipalities' taxing field is limited, limited to the land only, and they cannot be expected to carry all the duties of bridges, roads, sanatoria, health, hospital, etc., on less than half their budget.

The Provincial Treasurer boasted that he had turned back the two mills of Public Revenue to the schools. Well, I would point out to him that, on the average, the mill rate for larger units has gone up two mills, this year, so that that two mills he has supposed to have turned back to the municipality has been cancelled out in the form of larger mill rates for schools. The rural municipalities' position is exactly the same as far as the money they have to spend on roads and bridges, etc. is concerned as it was before he turned this back, because that money went to schools – or an equal amount.

A little later on, when he started to talk about roads and road grants, he said – well, I don't know that he said it; but when he started to figure out his road grants he again used that two mills to figure out the system of equalization grants. So he spent that two mills twice – and that makes four mills he has spent on it now. And I want to say a word about those road grants.

Ever since I can remember, all the rural municipalities in this province received a \$500 basic road grant. Now there may have been a few years in the 'thirties when they did not get it, but after the gasoline tax went on they started to pay a basic grant to municipalities of \$500. They did not do it during the 'thirties, I am prepared to admit that. But they did pay \$500 to each municipality basically. A few years ago, this Government put, on top of that basic grant of \$500, an equalization grant and that brought it up. That was all right, and I was quite in favour of it, I was not so much in favour of the source of the revenue, because he used \$1 \(^1\)4 million that was left here by another government for the purpose of paying those grants; but nevertheless they did go to the municipalities.

It was rather amusing that, at just about the time that \$1 \(^1\)4 million fund played out, we had a change in policy. Now we have another policy. In this past year, according to the address of the president of the S.A.R.M., 138 municipalities received no grant at all. I presume that is correct. So they are not giving the municipalities more. They are giving them less; and in this new formula they worked out they actually made themselves \$70,000 and I will tell you how. In 1951, the rural municipalities got \$351,830 in road grants; in 1952, according to the statement of the president of the Rural Municipalities' Association (and I think he is correct), they got \$281,899 in grants; so they are \$70,000 less than they were last year. They made themselves \$70,000 at the expense of the municipalities. Mr. Speaker, this Government should be ashamed of their treatment of the rural municipalities!

Hon. J.T. Douglas: — Mr. Speaker, that statement, of course, is not correct. There was more money paid to the municipalities than quoted by the hon. gentleman.

Mr. McCarthy: — I said road grants, Mr. Speaker. I said that, in road grants, they made themselves \$70,000.

Hon. J.T. Douglas: — That's not right.

Mr. McCarthy: — The unfortunate part of this is that I cannot see – wait a minute, you gentlemen over there get me kind of 'balled up' sometimes. I suppose you do it intentionally, do you? But never mind, we have a lot of fun anyway.

The unfortunate part of this mill-rate increase is that I cannot see any end to the increasing mill rate the R.M.s are going to have to collect for school purposes. It looks to me as though it is going to continue to go up and up, and I will tell you why. Due to the policy of transporting pupils to the town schools – and I will tell you why. Due to the political of transporting pupils to the town schools – and I am not critical of that, I will have something to say about it a little later on; but owing to that policy we find that our town and village schools are overloaded; that is, they haven't enough schoolrooms to hold the pupils. they are overloaded now, and we have only started to transport our pupils. The larger units are going to have to engage in an enormous building plan to provide the necessary schoolrooms. And here is what has happened. There is a school out in the country, and they decide to transport the children from that school into town. The old school is either torn down, or sold, or moved away, and the School Board gets probably \$500 or \$600 for it. but they have to construct schoolrooms in town to take care of the extra pupils. These schoolrooms cost, on an average, from \$10,000 to \$12,000 each. That is only an estimate, but that is what I would estimate; and the School Board will have to raise the money to build these new rooms. They have only two ways to do that. They either have to raise the mill rate or borrow the money, and I think they will have to do both. That is why I said I could not see any prospect that our rural school rates will decrease. I think they are going to continue to go up unless something is done about it.

In addition to the fact that the annual mill rate has risen from 1½ to 2 mills, these schools are not paying their way. They are creating a debt in the form of bank overdrafts, they are borrowing from the Provincial Government and all that sort of thing; and I just want to read to you, if I may, Mr. Speaker, an article that appeared in last night's 'Leader-Post'. I am not going to give the dateline on this because, if any of you want to see what school it is, you can look on the second page of last night's 'Leader' and you can see it. The only reason I am giving it here is because it bears out exactly what I said – that these schools were continually raising their school rates and they are going to have to continue to raise them probably at a faster rate, and that they are not, even at that, paying their way as they go. I am just going to give you some items of the budget of this school to show you that what I said was true. As a matter of fact, when I wrote these notes – and they are notes; they are all my own, I assure our honourable member over there – I did not know this situation; I knew the general picture, but here is something definite:

"These rates for 1954 are in increase of five mills on rural rates and six mills on urban supporters; one mill was added to the rate to cover 1954 payment of \$1,300 borrowed in 1953. . ."

that was one debt they had not paid and they have a lot more behind them – it isn't true of them all but it is a general picture.

"Other debts, a portion of which are to be paid in 1954, through debenture and interest amount to \$32,000. This total includes past borrowings by the unit for several years, as well as debentures passed on to the unit by the old school district. The budget provides for an increased conveyance cost in the unit from \$32,000 in 1953 to \$40,000 in 1954."

That is all right. I can understand that – they are probably conveying more children:

"These costs are concerned with the closing of rural schools and the transportation of pupils to larger centre urban schools."

That is the pattern. This was up five mills. Another thing they have to do is put \$8,000 in the sinking fund to pay for their buses, and I think that is a good thing. But the whole picture is this: I cannot see any prospect that these charges are going to be less. I think they are going to be more; and in prosperous times like this, the most prosperous times we have ever had, and with the highest mill rate we have ever had, we are not carrying our schools even at that. We are piling up a debt on nearly all the larger units – not all, but the general pattern is – through borrowings from the Provincial Government or bank overdrafts.

Those debts may be hard to pay in times less prosperous than they are now. I have had that experience. You talk about depressions. I said a little while ago, we are contributed to them and that is the way we contribute to them. If any of the members here remember 1929, everything was going up and nobody ever thought of things coming down. Taxes increased, wages increased, we went into debt and everything else, and then the recession came and caught us. I am not criticizing these School Boards; don't think that for a minute, I know what they are up against. But what I do want to point out is that with this increased rate and, as far as I can see, no prospect of controlling it, if we do run into a recession our education system is going to be in a much worse position than it was, say, 15 or 20 years ago when we ran into that terrible depression.

Let us have a look, for a minute, at the type of schools we are building. Any that I have seen are of the single storey low-type building. They are very nice buildings, nice to look at, but any architect will tell you they are the most expensive type of building that can be built. Any architect will tell you that for an equal number of square feet you can build a two-storey building for a third less than you can a one-storey building, and I think that is right. I think you can heat it for less, too. I inquired about this. I asked why this type of building was being built, why they did not put on another storey and have the same number of square feet at much less expenditure, and I was told that was what the Department recommended. They said two-storey buildings were old-fashioned, out-of-date, and we should not have children running up and down stairs . . .

Hon. Mr. Lloyd: — Mr. Speaker, on a point of privilege, I know the hon. member doesn't want to be wrong. I would submit that there are

more schools being built in the province which are not one-storey than otherwise.

Mr. McCarthy: — Rural schools?

Hon. Mr. Lloyd: — Well, in rural schools there is only one room and naturally there is only one storey.

Mr. McCarthy: — No, eight and nine rooms. I am talking about rural schools; I am talking about the village and town schools, and I think I am right. If you go down through my constituency I don't think you can show me one new school that has two storeys. That is another interruption, but it is all right.

I say they said they did not want to have these children running up and down stairs. Well I say, Mr. Speaker, that if our children are getting that soft we had better take them out and give them some physical training. I believe that public buildings should be well built, just as well built as they can be, and I believe they should be as fire-proof as possible; but I do not think that public buildings of that sort should be built at a greatly increased cost just to suit someone's particular fancy.

I would like to look, for a minute, at the relations of School Boards to rural municipalities with regard to the collection of taxes. I believe we have a situation here that will have to be corrected. It is a sound principle of taxation that those who collect taxes should have some say in the expenditure of those taxes. It is equally true that those who spend tax moneys should have some responsibility for the collection of them, and when you depart from that principle you are not going to get efficient expenditures of public moneys. That is a sound principle of taxation. I am sure the Provincial Treasurer would not want to send money to Saskatoon for someone to spend that he had collected for this province, without having some control over the manner in which it was going to be spent. That is the position in the schools, today, however. The people who are spending the money have no responsibility for the collection of it, and the people who are collecting it have no say in the spending of it, or very, very little. As far as ordinary teachers' expenses are concerned, they are more or less static, and money that is devoted to that purpose, of course, causes no argument. I am going to have something to say about that a little later on, too. But I do believe that other school expenditures should come under the scrutiny of the Local Government Board or some similar organization; at least there should be some ceiling somewhere so we will know where we are going, and there should be a much closer connection between them.

Neither the school boards nor the municipalities are satisfied with the present set-up. It could be said that it was always the case that the rural municipalities had no control over their school boards, and that is partially true; but when we were in the municipalities collecting the money for the 10 or 12 school boards within the boundaries of our municipalities, we did consult with the school boards and the school boards did consult with us; but that is not true, today.

Now, Mr. Speaker, I would like, for a few minutes, to review the teacher situation, as it affects rural schools – and again I want to make it quite clear that when I am speaking of rural schools I am speaking of rural, town and village schools, because they all come under the same category. I am glad to see that teachers' salaries have gone up to where they compare

more favourably with our sister provinces of Alberta and British Columbia; but I do not know whether they are high enough yet to prevent the exodus of our teachers to those other provinces. Unless the Minister of Education does as he did, last year, and adds the hospitalization and the automobile insurance to it, they might come pretty close to it then.

It is estimated that well over 1,000 teachers have left our province in the last four years, and most of them have gone to British Columbia and Alberta. That is an unfortunate loss to our province, and it would have done much to relieve our teacher shortage if they had stayed here. Our teacher shortage is still with us and I suggest to you, Mr. Speaker, that the Government is not pursuing a vigorous enough policy to overcome it. We had, last year (that would be 1951), 600 supervisors approximately in our rural schools. These young people were first put in charge of our schools as an emergency, but apparently it is becoming a habit now. I believe the situation has improved somewhat in the past year; the teacher supply has improved somewhat. We have less of those people teaching in our schools. It was not improved by training more teachers, however. It was improved by the fact that we transported more pupils, and to that extent it has improved and I am glad to see it. But I don't think that as we go on transporting our pupils, it is going to have the same improvement on the teacher situation, as by the fact that we are transporting pupils. We have 300 buses, I believe, running now (that is from the last report I saw; there may be more now), and naturally those buses started out to run from the schools with the lowest pupil enrolment. As far as I am able to judge in my own district, and I suppose it is true in other places, as we go along we are going to start to transport from schools that have a larger pupil enrolment; consequently, when those children arrive into the town they are going to have to have more teachers to look after them. I don't think that any great number of teachers are going to be saved by our transportation policy, after the first two or three years. Certainly, it helped us last year, and it may help us to a certain extent this year; but as time goes on the effect on the teacher supply of transporting children is going to become less and less, in my opinion.

Also, our population is increasing rapidly, and experts tell us that our school population is increasing faster than our adult population – that is, that more of the percentage of increase are of school age or will be of school age shortly than the adult population. In addition to that, we have a large army of married farm women who are teaching in our rural schools, and I want to pay tribute to those people. they are among the best teachers we have in our rural schools today. A great many of them – in fact the great majority of them, I think – are doing that teaching as a patriotic duty. They are neglecting their homes and their farms to see to it that their children and their neighbour's children receive an education, and we are deeply indebted to them. But a great many of these people have told me that they are anxious to be relieved of teaching duties, that they want to go back to their homes and their children, and I can understand that. So if you add it all up, I think we have 500 supervisors, today, or approximately that number – I am not saying it is just that but I imagine it is right around there; and I think it is quite safe to say we have 500 of these other people I have just been talking about – those married women who are teaching who would like to be relieved of their teaching duties.

I submit that we need, in this province, today, 1,000 more teachers. It is true that we have a small increase in the pupils who are attending our normal schools, but it is not nearly sufficient to take care of the teachers who are leaving the profession. I have suggested before, and I still think, that the Minister should open the Regina Normal School. I went past that

building the other day and I see a sign 'Museum' up in front of it. Well now, museums are nice places. I like to mull around in them, I get a lot of fun out of it; but I don't think anyone will suggest that a museum is as important as educating teachers to teach our children. I am sure if that school were opened it would increase our teacher supply. Today, if a girl or boy from this city of Regina, with over 70,000 population, wants to train for a teacher, they have to go to either Moose Jaw or Saskatoon at an expense to their parents of between \$800 and \$1,000. Not many parents living in Regina feel like putting out that much money, nor, in a great many cases, do they have that much money to put out. The consequence is that a great many of these young people go into commercial courses, which they get at a very much lower cost; and consequently, by having this school closed, we lost a great many potential teachers.

The last time I brought this matter up in the House the Minister ridiculed my suggestion. That is his privilege. I still doubt if his attitude is in the best interests of education, however. I still doubt that. This Government tried to sell us on its great planning abilities and its ability to look into the future. If they would look ahead in this matter I think they would see an opportunity to greatly reduce our teacher shortage. That would be especially true if we ran into a recession and these grade XII pupils who are out of school would be in less demand in the labour market; and if we ran into a recession and that school was in operation, I feel quite sure that that school would be filled, and that would be a blessing to hundreds of rural children, because, as I said before, I estimate that we need 1,000 more teachers.

Now, Mr. Speaker, I am going to say a few words about our student aid fund and, in this connection, I am sorry that I am going to have to disagree with our lady member. I know from experience that is not a good think to do, because I have tried it and got into a lot of trouble. She gave us a wonderful talk on this student aid fund and I agree with her as to the purpose of it; but I think from there on we part company in our thinking.

My criticism is that it is too little, and possibly too late; something should have been done about it before. Someone on the other side of the House has said that, today, no student need be kept out of college because of lack of funds. Mr. Speaker, that is not true. All you can borrow out of this fund, today, I think is \$300. I hope I am right on this; if I am wrong I want to be corrected.

Hon. Mr. Lloyd: — Mr. Speaker, the hon. member said he wanted to be corrected. He is quite incorrect.

Mr. McCarthy: — I am talking about the normal school students.

Hon. Mr. Lloyd: — Normal school or other students, he is still incorrect.

Mr. McCarthy: — How much is it, Mr. Minister? How much can a normal school student get?

Hon. Mr. Lloyd: —That depends upon the need of the student, Mr. Speaker.

Mr. McCarthy: — Well, all right, I will put it another way, Mr. Speaker. The average amount given to a normal school student is \$300, and I have had some experience with that two years ago – unless it has changed since. We won't argue on that, it is not material; but the average amount they can get is \$300.

Hon. Mr. Lloyd: — Mr. Speaker, on a point of privilege again, the average amount that they can get is not \$300.

Mr. McCarthy: — All right, let it go; I will argue it out with you privately, Mr. Minister. I will say this – probably the Minister will let me say this – that it is not sufficient.

Hon. Mr. Lloyd: — Mr. Speaker, on a point of privilege again, the way it operates is that the amount of money which they need may be obtained from that fund.

Mr. McCarthy: — That is quite all right. It still averages out — I asked this question. Now just a minute! Don't get too funny over there, boys. I asked the question the other day in the House as to how many pupils were in the Normal schools and how much money they got; and if you divide the amount by the number of pupils, you will get just about \$300.

As I pointed out before, it costs them \$800 to \$1,000 to send a student to normal school; that is; if they don't live in the city. If they lived in this city and we had a normal school here, I think the fund would be sufficient to do that; but it isn't sufficient when they have to go to Mr. Speaker, or Saskatoon.

There is another thing about it – if you haven't changed it, but this was true two years ago. You make that loan and a parent or guardian has to sign an application for it. Now that application form reminds me of the old relief forms that we signed in the 'thirties. I think you could take it and find that it is almost word for word; and of course, as you know, a person was not supposed to get relief unless he was indigent. I think you could take this form, and it is almost word for word, affidavit and all. I suggest to you that you make the terms of this loan a little more liberal. Get rid of that form and make it so that in reality the deserving students will be able to go to school

I might note that this student fund, which you people over there are talking about, was set up by a Liberal Government. . .

Premier Douglas: — Oh, no!

Mr. McCarthy: — Well, all right, all right; I knew a lot of you fellows did not know that. I doubt if the member from Regina knew it; but it was actually set up by a Liberal Government in 1943.

Mr. Willis (Elrose): — Check back again!

Mr. McCarthy: — And when it was set up, it was set up that 75 per cent of it was a grant to the student and the other 25 per cent was a loan. That is the way it was set up, and that is what they had to pay back.

Now, Mr. Speaker, those are my opinions. I have attempted to deliver them without malice, and I hope they will be accepted in that spirit. I want to say that I am proud to be a citizen of Saskatchewan. I am proud of the great neighbour to the south of us – the United States of America; and I say to the great nations that, with all their faults, I love them still.

Mr. Speaker, I shall not support the motion.

Mr. R.A. Walker (Hanley): — Mr. Speaker, it is customary in entering this debate to say some nice things about the previous speakers and I will bow to that custom. I feel that I should give credit where credit is due, and I want to sincerely compliment the member for Nipawin (Mr. MacNutt) on the brevity of his speech. I think that other hon. members might well have taken a leaf out of his book, and for a few minutes, this afternoon, I was hoping maybe they would; but the clock beat the hon. member for Cannington by just a nose.

Mr. McCarthy: — Pretty good timekeeper.

Mr. Walker: — Well, I could not help but notice that every time I looked at the clock the hon. member for Cannington looked at the clock, and then he read about 10 per cent slower than he had been doing before.

Premier Douglas: — He ran out of ideas before he ran out of time.

Mr. Walker (Hanley): — In analysing a budget, Mr. Speaker, there is really only one basis on which to come to an intelligible conclusion as to whether it is a good or a bad budget. It should be done by a comparative analysis with other budgets. One budget by itself in a vacuum cannot be intelligently assessed and, therefore I think, if we are to make a worthwhile job of analysing this budget, we should compare it with the budget of last year and compare it with the budgets of other provinces for the same year.

I find on looking at the estimated revenue, that next year we expect to raise approximately \$8 million more than we did in the present fiscal year. The test of the budget is what do we propose to do with that \$8 million. After all, in previous years – last year in particular – we settled the question of the distribution of the \$70 million which we voted that year. Now the prime question before us is – are we making the best, most prudent use of the additional \$8 million which we propose to spend this year?

First off, Mr. Speaker, I would like to compare some of the estimates contained in this budget with those for last year. I find on looking over the estimates some very significant and worthwhile improvements. I find, on page 14, that we are this year spending \$1 million more out of revenue account on highways. One cannot help, as one travels about Saskatchewan, marvelling at the tremendous improvement that has taken place in our provincial highway system. Saskatchewan's roads were an epithet in all parts of Canada only 10 short years ago. Everywhere we heard about the disgraceful condition of Saskatchewan roads. Other provinces managed to escape that condemnation, but Saskatchewan was the acme of imperfection so far as its highway system was concerned. Saskatchewan has now come up to the point where motorists passing from one coast to the other make favourable comparisons between Saskatchewan's highway system and those of our neighbouring provinces.

Mr. McDonald: — They always have.

Mr. Walker: — And my hon. friend from Moosomin (Mr. McDonald) does not remember 10 or 12 years ago apparently. I suggest that some of his other conduct in this House is just as naïve. . .And so that extra million dollars will be one more jewel in the crown of the Minister of Highways and this Government.

Then, of course, there is not only the million dollars extra spent on revenue account, but I find that on capital account there is another million and a half appropriated for highway construction.

Perhaps the member for Cannington and myself share the opinion that education is one of the most important functions of local and provincial government. I never was so firmly convinced of it as I was after listening to his speech in this House, this afternoon. Education is something which no community can afford to neglect. I find in Saskatchewan we are assisting local school units, school districts to the extent of exactly a million dollars more than last year. That, of course will be welcome. . .

Mr. McCarthy: — Mr. Speaker, on a point of privilege. Did he say he was assisting local districts to the extent of a million dollars more? That is not true.

Mr. Walker (Hanley): — Well, Mr. Speaker, I am sorry that my hon. friend did not look at the Estimates before he chose to get up and make an hour's harangue about them. If he would look on page 15, vote 21, sub-vote 7, he will find that the estimated expenditures for grants to schools, last year, was \$8,803,000 and this year \$9,903,000, a million dollars increase to the local costs of education.

Mr. McCarthy: — That's for all schools.

Mr. Walker (**Hanley**): —These grants to schools represent a replacement by the provincial revenues of local revenues which would otherwise have to be levied. Then, of course, there is the increase in grants to the University of Saskatchewan of approximately \$300,000, an increase of 20 or 25 per cent. I am glad to note that the budget does not neglect this important centre of secondary education in this province.

I hope the Provincial Treasurer and the Minister of Education will find some way, in the course of the next year or two, to appropriate a part of this University grant, or an additional grant, to encourage the attendance at University of young people from the rural areas of Saskatchewan. I find that, notwithstanding the very splendid assistance that is being given to young people to attend our University by the scholarship fund, of which something has been said this afternoon, there is still a disparity between the percentage of rural young people who attend the seats of higher learning and that of the urban young people of this province. I think I would commend to the Minister that some consideration be given, either by financial means or otherwise, to encouraging young people from our rural areas and our small towns to make up that disparity to which I have referred.

Then I notice that in this budget the total amount to be expended on Public Health is again to be increased. I could itemize a number of instances of increase: their ambulance service is up from \$143,000 to \$162,000; the total budget is up from \$18,671,000 to \$20,632,000, or practically \$2 million. I think that increase in the public health vote illustrates, more than anything else this Government has done, that its heart is in its pledge 'humanity first'

Mr. McDonald: —Call it six o'clock.

Mr. Walker: —It is rather interesting to note that Opposition members denounced the Speech from the Throne, claiming that no adequate provision is made for agriculture. I do not propose to enter into any debate on the Speech from the Throne at this time, but it should be noted that, in spite of Opposition claims, the Provincial Treasurer has provided for an additional \$600,000 for Agriculture. We are constantly being told that this Government is neglecting agriculture. I propose in a few minutes to make a comparison

between the appropriation which this Government makes in its agriculture department and that made by the neighbouring province to the west. There again this year is an increase of more than half a million dollars. So, Mr. Speaker, in these times of rising costs and falling efficiency in most enterprises, we have here just the opposite situation. We have here practically the entire \$8 million increase going into those things which show up in a better material standard of services for the people of Saskatchewan. We have, I think, in that budget, a tribute to the soundness and efficiency of the people who administer our departments. They have succeeded in squeezing out waste and inefficiency to the extent that practically the entire \$8 million, which this Legislature is being asked to vote, is going into increased services for the people of Saskatchewan.

Let up compare the budget which we have here with that of the Province of Alberta. We should always remember the fact that Alberta, getting into the race of industrial development and development of her natural resources a full 20 years ahead of us while the government of this province was warming its stools, and we must make allowance for the fact that today in Alberta, they have more means with which to do the things which we are trying to do here. Let us then look at the Alberta Government's budget, bearing in mind the extra gifts of fortune which have been bestowed upon them.

I have here the Estimates for the current fiscal year in the Province of Alberta, and I have compared them with the Estimates for the same year in this province. While the total amount that Alberta will raise, this year, is larger than in Saskatchewan, I would draw to your attention that the things upon which we place great store in this province are being more generously treated by the Saskatchewan budget than they are in the budget in Alberta. We hear a good deal of talk by the Premier of Alberta that they won't need any taxes very soon because of the realizations from their natural wealth.

Mr. Loptson: — Sure, because you have got a C.C.F. Government here.

Mr. Walker (**Hanley**): — My hon. friend says 'they have got a Social Credit government there' — isn't that what he said?

Mr. Loptson: — No! I said because we had a C.C.F. Government here in 1944.

Mr. Walker (Hanley): — One would think that Alberta was a land of milk and honey, and I ask you to look at these Estimates. You will find that, in the current fiscal year, leaving out the revenue from mines and minerals, the Alberta Government levied and raised \$86,621,000 compared with \$65,787,000 in this province. It is true that Alberta got \$46 million from its mines and minerals while this province only estimated for \$4 ¾ million during the current year. Leaving out the bounties of nature, Alberta levied and collected \$86,621,000 compared to \$65,787,000 in this province, and I say they did it be means of higher taxation. I have here from their estimates some of the items of tax revenue. They are not all higher, but some of them are significantly higher. For one thing – my hon. friend from Cannington will be interested in this – the amusement tax in Alberta is \$850,000; in this province we give that \$850,000 to the municipalities, but we don't get any credit from the member from Cannington. From the pari-mutuel tax, Alberta received \$315,000; in this province we estimated \$50,000.

An Hon. Member: — And we get it back.

Mr. Walker (Hanley): — That's right. And they have their fuel oil tax, \$16 million, compared with our gas tax of \$12 million. It is

one-third higher in Alberta than it is here. And so I say that Alberta may look like a land of milk and honey to my hon. friends who cannot see very far, but if they will get the figures and look at them, they will find that things are not all free in Alberta.

You might be interested to know how some of their estimates of expenditures compare with the estimates of our expenditures. I said a moment ago that in Saskatchewan in the current fiscal year, we estimated for \$3,825,000 on Agriculture; Alberta in the same year, \$2,365,000 – about one-third less than we have budgeted for in Saskatchewan.

Their public health department, including hospital payments, is only \$15,600,000 compared with \$18,270,000 here. I have here some of the details of their public health expenditures, and there you can tell what kind of services their department of public health is providing. Grants to hospitals, hospital bills paid, polio hospitalization, cancer hospitalization, maternity hospitalization, pensioners' hospitalization and care, grants to local authorities and northern outpost hospitals: in Alberta \$7,448,000; in this province \$16,533,000. Alberta gives nothing whatever by way of grants or assistance to its health regions; in this province estimates were \$570,000, approximately two-thirds of the cost of bringing health services to the rural areas of this province. but my friend from Cannington never gives any credit to this Government for that assistance to the local authorities. And so we can continue the comparison. On Air Ambulance, for instance, we spend an estimated \$143,000 and Alberta nothing.

Something was said in this House once about the incidence of mental illness in Saskatchewan. Well, Mr. Speaker, the fact that there are more patients being treated in our mental hospitals is something about which we in Saskatchewan should be very proud. It is estimated that, in the North American continent, there are more people with mental illnesses free in society than there are in hospitals receiving treatment for that condition. We, in Saskatchewan, by the fact that we have more patients in our mental hospitals are clearly demonstrated to be doing more for that class of people than they are in other jurisdictions. And I say, Mr. Speaker, that that is not something about which we should smile. That is something for which we should give the Department of Public Health in Saskatchewan a great deal of credit.

You cannot win a reputation for having the best mental health programme in the world without spending a little money to do it, and I remember back in the early 1940's when our mental institutions were nothing more than pestholes because of the penny-pinching attitude of the previous government. Of course then, when anyone had a member of their family afflicted with mental illness they were reluctant to allow their friends or their relatives to go for treatment to the mental hospitals. I have people today come to me and tell me what a wonderful service this is. Their relatives, their loved ones, who have to go for treatment, the people at home feel that they are really getting something; they are really benefiting from this health programme. Alberta spends \$3,622,000 on its mental health programme; and this province \$7 million. I say that it is no credit to any province with the revenues that they enjoy to carry on a mental health programme less than the best. Here in Saskatchewan, with much less in revenue, much more is being done.

However you compare the budget of 1954-55 you cannot help but come to the conclusion that it is a sound progressive budget. If Alberta is doing so much more for the municipalities, as suggested by the hon, member for Cannington, it certainly does not show up in the financial statistics of municipal

government in the survey done by the Dominion Bureau of Statistics in 1953. In that survey of municipalities it appears that the total consolidated liabilities of all municipalities in each of the provinces was as follows: British Columbia had the highest of the four western provinces with \$326 million; Alberta had the next highest with \$276 million; Manitoba had the third highest with \$233 million; and Saskatchewan the lowest with \$218 million.

Mr. Danielson: — May I ask the hon. gentleman, is that including all municipalities?

Mr. Walker (Hanley): — All liabilities of all municipalities.

Mr. Danielson: — Cities and rural?

Mr. Walker (Hanley): — Exactly. And if my hon. friend wants the rural figures he can get it out of the address delivered by the Provincial Treasurer, which he gave to you here the other day.

Then we were told that the thing that was wrong with this budget was that it was too big. I think the member for Maple Creek (Mr. Cameron) said: "Here was a government committed to expenditures, supported by crushing tax structures not thought possible a few short years ago, a commitment of heavy expenditures requiring heavy borrowing."

I am only sorry that the member for Nipawin and the member for Cannington had not heard his speech, because the member for Nipawin (unless I misunderstood him) said that if we were so fortunate in Saskatchewan as not to have a C.C.F. Government, we would probably have a budget as big as that of Alberta, \$204 million. . .

Mr. Loptson: — That's for sure.

Mr. Walker (Hanley): — That is quite possibly true. If my hon, friends were in office that is quite possibly true.

Mr. Loptson: — If we hadn't had a C.C.F. Government we would have had some development.

Mr. Walker (Hanley): — They could get rid of \$204 million quite easily.

Mr. Loptson: — We could have had money to pay for it.

Mr. Walker (Hanley): — Then they say heavy expenditures and heavy borrowing. Well, they don't listen very carefully. Of course the member for Maple Creek spent the whole summer preparing this speech, and then he did not read it over after he came down to Regina. Certainly he did not read it over after the budget had been presented because, if he had listened he would have heard the Provincial Treasurer say, as reported at page 22; "It will not be necessary to borrow any further amount during the present fiscal year since the balance of the capital programme is being financed from current revenues and surplus."

So that is the sort of statement they make – "a government committed to expenditures supported by a crushing tax structure not thought possible a few years ago, a commitment of heavy expenditures requiring heavy borrowing." That is the sort of irresponsible, wild loose statements that are made in this House which are published in the 'Leader-Post' and 'Star Phoenix as passing for intelligent criticism. We in this House, Mr. Speaker, are hard put to

correct all these misstatements and the misinformation that is broadcast to the public. I suggest that, if the member for Maple Creek really wants to render a service to the people of Saskatchewan, he should give some serious consideration to the importance of his position. He should exercise some degree of responsibility in making the criticisms which he does.

This isn't the only instance of utter irresponsibility and nonsense talked by the member for Maple Creek. Here is another one I happened to notice as he was delivering his speech:

"A study of the total taxes levied in 1944 and the total taxes levied in 1952 on the rural municipalities for both municipal and school purposes will reveal that in 1944 the total was \$14,800,000 and in 1952 the total was \$28,355,000."

Then he went on and tried to prove that the percentage was up 140 per cent or something like that.

Well, the hon. member for Maple Creek could have taken just a little pains in getting his information right and he might just as well have told the whole story. He could just as easily have presented the true picture. If he will look at the annual report for 1945 of the Department of Municipal Affairs, he will find it is true that the Government collected of current taxes approximately \$13 million in that year, but they collected in that year of current taxes and arrears, \$23,827,000, so that the increase is actually something in the order of 25 per cent, and not 125 per cent as my hon. friend tried to leave the impression with this House.

Mr. Danielson: — That's a novel way of reading it: 100 per cent out.

Mr. Walker (Hanley): — If it is true – if my hon. friend from Arm River (Mr. Danielson) does not know what arrears are, I will tell him. Arrears are taxes which were not collected in previous years which come in along with the current taxes and which will buy goods and services just the same as the current taxes will do. If my hon. friend wants it in any clearer language than that I will give it to him by sign language outside.

Then he says in regard to Power and Telephones that 85 per cent of the net profits of all the corporations were obtained from Power and Telephones. Well, that is rather an interesting statement; I think we should examine it.

Let us look first at the report of the Government Finance Office and we find that they had a total at the end of their last fiscal year of \$10,239,000 invested in the so-called 'C.C.F.' Corporations. At the same time there was a total of \$81,400,000 invested in Power and Telephones so that while the C.C.F. Corporations produced only 15 per cent of the total profit from Crown Corporations, they actually used only 11 per cent of the total capital invested in Crown Corporations. While Power and Telephones produced 85 per cent of the total profit earned by Crown Corporations, they used 88.7 per cent of the total capital. So, when the whole picture is before the House, it is obvious that the C.C.F. Corporations have enjoyed a higher average return on the money invested than have Power and Telephones. I am not saying that with the idea of holding up the C.C.F. Corporations as being any more successful than Power and Telephones; but I do object to this continuous attempt of members of the Opposition to paint only half the picture and then expect people in the country to give them credit for statesmanship and leadership.

Something has been said about the Public Debt. I know the member for Maple Creek gets confused easily when it comes to figures, but he tried to leave the impression that the administration of the public debt of Saskatchewan was not as good a picture as was painted by the Provincial Treasurer. I am not going to quote the Provincial Treasurer; I am going to quote from the financial statements consolidated by the Dominion Bureau of Statistics and issued under the authority of the Hon. C.C. Howe. If you will look at the report issued in 1941 and the report issued in 1951, you will get a fair comparison between Saskatchewan's financial position and that of the other three western provinces.

First of all, in 1941 Saskatchewan had the highest total net direct debt of any of the four western provinces; it had \$263 \(^3\)4 million – I am not going to give the hundred thousands, because it is simpler for the member for Maple Creek if we give it in round numbers; \$263 million, the highest of the four western provinces. This year on March 31, 1952, shows Saskatchewan, \$163 million, or the lowest of the four western provinces.

As a matter of fact I will give you what the other four western provinces are. In 1941, Saskatchewan was the highest with \$263 million; British Columbia came next with \$230 million; Alberta came next with \$194 million; and Manitoba next with \$138 million. Here are the figures as of 1951: British Columbia, the highest, with \$256 million, an increase from \$230 to \$256 million; Alberta has reduced it from \$194 million to \$104 million, a reduction of \$90 million; Saskatchewan has reduced its figure from \$263 million to \$163 million, a reduction of \$100 million; Manitoba has increased their figure from \$138 million to \$140 million.

So, Mr. Speaker, it does not sound very well to hear hon. members opposite, the people who came closer to running this province into bankruptcy and did run this province into bankruptcy, to be criticizing the financial management of this province under the present administration. I think that when the citizens of Saskatchewan know all the facts, they will give credit to this Government for being moderate in its expenditures, moderate in its borrowings, moderate in its taxation; they will give credit to this Government for being progressive in all of its financial and fiscal policies. I am sure that the people of Saskatchewan when they look at the \$205 million budget in the neighbouring province – and make no mistake about it, it does not all come from oil; a large part comes from the taxpayers of Alberta; and when they see heavier tax burdens on their municipalities than those we have in this province, or when they look at the financial condition of the province of British Columbia, I am sure the people of Saskatchewan will pay little heed to these criers-in-the-wilderness who sit across on your other side, Mr. Speaker.

I suggest that the people of Saskatchewan look to the Liberal Party for better things, and if I may do so – and I do this with some deference; if I may give some advice to my hon. friends opposite. . .

Mr. Danielson: — We don't need it.

Mr. Walker (Hanley): — Well, somebody needs to give you some.

Premier Douglas: — Don't charge them for it, either.

Mr. Walker (Hanley): — I won't send a bill. If I may give you some advice it is this: The Liberal Party is having a convention, I understand, in the near future, and it would be my earnest wish for the Liberal Party that they would toss out the "old guard" completely. When I

looked at the "old guard" sitting across there and hear them still fighting the battles of 1930 and the election battle of 1944, still seizing every opportunity they can to criticize the auto Accident Insurance and to criticize the larger school units, as my hon. friends across the way do, they are living in a by-gone age. The people of Saskatchewan have accepted those things as part of the established institutions of this province. As long as my hon. friends opposite continue to be on the wrong side of all these issues, the people of Saskatchewan will continue to accept the C.C.F. as a permanent institution in Saskatchewan. Maybe I should charge them for this advice.

Mr. Loptson: — On a point of privilege, I want to extend my congratulations to the Hon. Minister of Wisdom from Hanley for his advice.

Mr. Walker (Hanley): — I'm not finished yet; I'm not through yet. I think those of us who sat here, Mr. Speaker, through the debates of this House and saw the futile attempt of one or two of the members opposite, "the old guard" still try to win on the issue of mud and dirt and slime as they did in this House, will agree with me that the most progressive and sensible thing that their convention could do, next summer, is to completely purge the old guard from the Party. I see in the eyes of some hon. members opposite that they agree with me. I could not help but note the profound look of displeasure and disgust in the eyes of some hon. members opposite when the member for Arm River and the member for Saltcoats were revelling in the gutter here not long ago.

Mr. Danielson: — You started it.

Mr. Walker (Hanley): — So, may I just conclude with this, Mr. Speaker. The people of Saskatchewan expect us on both sides of the House. . .

Mr. Danielson: — Clean your shirt.

Mr. Walker (Hanley): — The people of Saskatchewan expect members of this House on either side to make an honest analysis of the budget, and the Throne Speech, and of all the things that come before this House, to forget about their preoccupation with partisan advantage, and to deal with the affairs of Saskatchewan in an honest, forthright and intelligent manner.

In conclusion I want to say that I believe that those words apply fittingly to the address of the Provincial Treasurer and to the contents of the present provincial budget.

Hon. C.C. Williams (**Minister of Labour**): — Mr. Speaker, as is customary, may I first congratulate the Provincial Treasurer on his excellent budget address, well delivered. At the same time I would like to commend the staff of his department, together with the Budget Bureau, and the staffs of the various departments, all of whom did something in connection with the budget we now have before us.

Looking at the figures here I see where we are after a slight increase, \$146,000. I don't think we will have too much trouble in getting it through. However, we will go into the details later.

I have enjoyed the debate up until the present time, Mr. Speaker, and might commend all members on both sides of the House, and have been quite interested in what they have had to say. Having been head of the Department

of labour for the past 10 years, I thought it might be of interest to this House if I brought in some figures showing the percentage of wages labour has earned in connection with the farm implement industry; both farmer and labour are greatly concerned in that very incidence. My source of information is the Agricultural Implements industry from the Dominion Bureau of Statistics, and I have no reason to doubt any of these figures.

Going back to the year 1945, we find there were 41 plants in Canada employing a little over 13,000 people. The salaries and wages of those employees amounted to 42.4 per cent of the gross selling value of the products at the works – (I presume we in the West would say 'plants', but 'works' seems to be the accepted term) – 1.9 per cent went for fuel and electricity; 45.8 per cent for materials, and the profits amounted to 9.9 per cent of the gross selling value at the works.

We will skip a few years. You will realize, of course, Mr. Speaker, that that was just after the war, and possibly there had to be retooling and differences in technological changes and so forth. We will skip then and get on to 1951. We find that the number of plants have doubled; there were 81 of them in that year, with 17,000 employees; but we find the salaries and wages of labour down to 30.5 per cent; fuel and electricity, 1.2 per cent; material, 56.3, and the gross operating profit had gone up to 12 per cent. The last year for which we have complete figures is 1952. The number of employees was up to 18,000; the salaries and wages 30.3 – down a little more; the material, 53.3, and the gross operating profit was 15.2 per cent. So there we have the difference. In 1945 the percentage received by labour was 42.4 per cent; seven years later it was 30.3 per cent. In 1945 the gross operating profit was 9.9 per cent and seven years later it was 15.2 per cent.

Hon. Mr. Bentley: — Better send that over to the Leader of the Opposition; he needs it.

Hon. Mr. Williams: — Yes, I would be glad to do that, although I couldn't refer to it directly as it was in a different debate.

The member for Cannington (Mr. McCarthy) made some suggestion that the Ministers on this side of the House should get on with some of their departments. Well, I am going to take him at his word and do some of that, this afternoon. First I am going to refer to the Theatres Branch. Sometimes I think some of the branches in the Department of Labour should be referred to as Santa Claus as far as the provincial treasury is concerned, because with fees, licences and so forth, we bring in a considerable amount more than we find necessary for administration: I think around \$470 or \$80 thousands a year.

The Theatres Branch continues to enjoy progress through new science and development within the industry itself. Substantial expansion is in evidence through the number of new theatres completed and 58 plans for new theatres have been approved for next year -25 of them, by the way, are for drive-in theatres. Among the 25 new ones opened, last year, were drive-ins at Assiniboia, Humboldt, Melfort, Swift current, Wynyard, Wakaw, and so forth. Plans for 15 new public halls were submitted and construction approved, as well as a number of the older halls which are going to be renovated. The inspection staff endeavour to cover all these buildings, theatres, drive-ins, public halls and so forth once a year and give every assistance they can to those in charge as far as construction problems, safety and so forth are concerned. In the past year, two theatres and two halls were destroyed by fire, but fortunately, at a time when the theatres were empty, so there were no casualties.

The use of gasoline lamps is considered a very dangerous practice and an effort is being made to discourage people from using these lamps in public halls, schools and theatres located in rural areas. We are receiving good co-operation. I think we should all realize that just s good a light can be got from these lamps – you know the ones you pump up with a mantle in them – I presume they would have to have a change made; but coal oil will produce just as good a light as gasoline and is not nearly so dangerous.

Our Saskatchewan censor is located in Winnipeg. He has been down there the last four or five years, and he sits with the Manitoba censors in viewing the various pictures which are brought to his attention. Following that line of thought I was pleased to see by the press, a few days ago, where a distributor of 'yellow journalism' in Ontario was fined and jailed for handling magazines containing a story of a murder which was still before the courts. Too much of this so-called literature is brought into Canada from the United States. I spoke on this matter just a year ago, Mr. Speaker, and do not intend to repeat what I said at that time, except to refer to a quotation from 'The Anglican Outlook', the official organ of the Church of England in Canada, which claims that the comic-book industry is a \$52 million a year enterprise. Here is the extract I refer to:

"Eight years ago 10 million comic books were sold each month. Today that many are sold each week. A literary critic has described this traffic as 'cultural slaughter of the innocents'. These books bought with the nickels and dimes of children and with the money of older people and the rest of adolescents, portrays sadistic torture, sexy situations and sordid crimes. The men who publish and distribute this kind of rubbish are dominated by the money motive. They are completely unconcerned with the effects upon the readers."

My own description of those who write and print such trash – so-called comics often of a horrible nature, sex-books or pornographic magazines, crimes of all kinds – is that they are maggots feeding on the sores of a nation and will do anything for money regardless of the corruption to young minds. So much for the Theatres Branch, Mr. Speaker. We feel that that is in good hands.

For the past five years I have made some reference in my budget speech to the older workers and the policy of compulsory retirement at the age of 65. There is a great deal of support now for this group which should be given a 'break', and not forced out of unemployment, or, as I have put it on occasions, it seems to be a dismissible offence to reach the age of 65. This Government is to be commended on granting in the neighbourhood of 50 extensions over a period of yeas to these employees, and I feel that both they and their families have been most grateful.

I have a number of clippings here of which I will read one or two: Several from the 'Saskatoon Star-Phoenix', 'Moose Jaw Times', 'The Commonwealth', 'The Health Newsletter', 'Winnipeg Free Press', articles by Mr. Mosher, President of the C.C.L., and Dr. Arthur McNamara, former duty of Minister of Labour at Ottawa. And here is one that was rather unexpected. It was in the 'Leader-Post' of March 2nd, 'K.M.K.'s column' – bless her heart! She goes overboard for the older people, and refers to a group of insurance companies in the east who set up some sort of an office and advertised for men over 65.

They got them all right! In fact, one man at 62 applied and was told that he could not have the job, that he was too young. However, she ends up with this thought:

"They (that is, the insurance companies) know that more and more people are living longer. They know how terribly necessary it has become to make old age a rewarding conclusion to life rather than a dull marking time to the end. They see the tragedy in the waste of men in their prime at 65, one day actively productive in their jobs, the next day retired with no preparation for retirement and no unwinding process between, and they know how appalling often death and retirement link unnecessarily."

A short one here from the 'Winnipeg Free Press'. this is a quotation from Ian MacDonald, Chief of Service Medicine at Toronto Sunnybrook Hospital, and this is what he says:

"We have to use our human material or we are going to be in trouble with the rest of the world in 24 or 30 years, he told an annual meeting, Tuesday, of the Health League. 'Many persons are actually older at 50 than their counterparts at 65,' he said. 'There is a high death rate during the first three years of retirement, partially because of unnatural inactivity. Old people today are being forced to lead more and more unnatural lives, because the aid given them does not allow them to contribute to their own support'."

I have another here from the 'Star Phoenix' along similar lines, which adds another thought and refers to the employment of persons over 45: "Many industries today are reluctant to hire anyone who is more than 45. They have many reasons, most of which seem valid to the business organization which adopts the policy. Yet the growth of this reluctance to hire anyone over 45 is damaging to the person who needs a job and to the economy of the country."

I have in my hand, here, Mr. Speaker, a newspaper – 'Labour' is the name of it – printed in Washington, D.C. every week, and it is quite interesting to note that not one line of paid advertising appears in this paper. It is edited and printed entirely by some of the larger railroad organizations. One page is always devoted to Canadian news. When I opened this paper, Tuesday morning, I was quite pleased to see first a picture of Mr. Coldwell on page two. He was speaking in Ottawa and it carries a very good report of what he had to say. I will just quote some of it:

"For the purpose of directing capital into socially desirable channels, M.J. Coldwell, C.C.F. leader urged, in the House of Commons, this week, establishment of a national investment board. He said, 'With the large funds accumulated by various organizations in this country, I believe the time has come when we should endeavour through an institution answerable to Parliament, to direct the flow of funds into fields that are socially desirable into the development of our resources. The

The board might be used, he suggests, 'to divert investment funds into housing and projects such as the St. Lawrence seaway and the South Saskatchewan River dam for building up of Canada'."

I was quite interested to see that article in a paper from Washington, D.C., which we ordinarily would not expect to see up in this part of the country.

Following that, a little higher on the page is an article which originated in Ottawa. It says: "Protection Increased under Provincial Pay Measures" and I will quote what they say there. It is from their staff representative in Ottawa:

"An increase in the protection provided for workers under minimum wage laws particular in four of the 10 provinces was provided during 1953. Provinces in which important changes were made were Saskatchewan, Quebec, Newfoundland and Nova Scotia."

The next paragraph, Mr. Speaker, is in heavy type. I am not wearing a vest or perhaps one of the buttons would pop off. Here is what it says:

"In Saskatchewan, the provincial Minimum Wage Act was expanded to cover the entire province. In the larger centres the minimum wage is now \$26 a week, while the minimum wage for the rest of the province is \$24.50."

Here it goes on about Quebec:

"In Quebec, the minimum rate for workers in the smaller centres was increased. The general minimum rates are 51ϕ , 46ϕ and 41ϕ an hour for the three zones in the province.

"In Newfoundland, the first order under the Minimum Wage Act went into effect and established a minimum rate of 50¢ an hour for male workers 18 years of age and over, in all occupations except farming and market gardening."

"Nova Scotia set a minimum rate of 35¢ an hour for women workers in the fish processing industry.

"Other important changes during the year were made in benefits under the provincial Workmen's Compensation Act. The monthly allowance for widows in Ontario was raised from \$50 to \$75 and children's allowances went up from \$12 to \$25. In Manitoba children's allowances were raised from \$12 to \$20 and in Nova Scotia they increased from \$15 to \$20. For orphans the allowance is now \$30 a month in Manitoba and Nova Scotia, and \$35 in Ontario."

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Just in reference to the \$75 for the widows of the men killed in industry in Ontario, we went from \$50 to \$60 last year. It is a little late perhaps in the Session for me to bring in an increase for this year, but I can assure the members on both sides of the House I will be after it next year.

Now, Mr. Speaker, I have a great deal of material here, but I am going to be on the air tomorrow and with that short talk, I beg leave to adjourn the debate.

(Debate adjourned)

The Assembly then adjourned at 6 o'clock p.m.