

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Twelfth Legislature
5th Day

Wednesday, February 16, 1955

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

DEBATE ON ADDRESS-IN-REPLY

The House resumed, from Tuesday, February 15, 1955, the adjourned debate of Mr. Dewhurst for the Address-in-Reply to the Speech from the Throne.

Hon. T.C. Douglas (Premier): — Mr. Speaker, when I adjourned the debate yesterday, I was in the process of congratulating the Leader of the Opposition (Mr. McDonald) on his election as leader of the Liberal party in this province and on his elevation to the high office which he now holds as Leader of the Opposition in this Legislature. I want to compliment him on making a very fine speech. I think it was a good speech considering the very difficult assignment which he had. I say “difficult” because he had the task of trying to criticize a government programme which was not only better than any government programme ever implemented by a Liberal government in this province but better than any programme ever implemented by any Liberal government in any province of Canada.

Yesterday the Leader of the Opposition talked about the Government having a change of heart with reference to old age pensioners. The Government has had no change of heart. We have been concerned with the welfare of old age pensioners and we have done something about it from the very day we took office. We were the first government in Canada to provide old age pensioners and other groups with completely free health services and we were one of the first governments to begin to pay supplemental allowances. As a matter of fact, if the Leader of the Opposition wants to have a change of heart on anybody's part I suggest that he start with the Liberal party itself. I wonder if he is aware of the fact that there is not a single Liberal government in Canada which pays a supplemental allowance to old age pensioners. I wonder if he is aware of the fact that there is not a single Liberal government in Canada which provides health services for old age pensioners. As a matter of fact, the only governments besides Saskatchewan's which provide complete health services and the supplemental allowance are the governments of British Columbia and Alberta. I want to remind my honourable friend that he is not leading the Social Credit party; he is leading the Liberal party in this House. My friend talked about the marvellous revenues which Manitoba is getting and the great progress Manitoba's making. Then why is the Liberal government on Manitoba not providing a five-cent piece by way of supplemental allowances or health services for the old people of that province?

The Leader of the Opposition also spent some time quoting from the Liberal platform. As a comparatively recent convert to Liberalism, he may not be aware of the fact that people do not pay much attention to what appears in Liberal platforms. The people of this province are aware of the fact that the Liberal party is notorious for promising much when they are out of office and doing little when they are in office. A good example is the

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quotation he gave from the Liberal party's platform promising to provide the farmers with electrical power without cost. They have made that promise in two elections — 1948 and 1952 — but the farmers of this province didn't believe that because they knew that during the thirty-four years the Liberals were in office they not only did not provide power without cost — they did not provide power at all! Farmers also will not be impressed by the tears he shed yesterday over the plight of the rural municipalities because they will also remember that a Liberal government was in office from 1905 to 1944, with only a five-year interruption, and that from 1917 to 1944 they kept a two-mill public revenue tax on the statute books of this province. Only when a C.C.F. government came in was that finally taken off.

The Leader of the Opposition also quoted from the Liberal platform to show that in days gone by they had proclaimed their interest in the co-operative movement. But the farmers of this province haven't forgotten that it was the Liberal premier who said, "For God's sake, read your contract"; that it was a group of Liberal members of the House of Commons, for years, sabotaged the full operation of the Wheat Board and that in all the thirty-four years the Liberal party was in office in this province they bought practically nothing from the co-operatives as compared with this Government, whose purchases from the co-operative organizations of Saskatchewan run from \$750,000 to \$1,000,000 a year.

The Leader of the Opposition complained about the fact that No. 1 Highway acted as a dyke and flooded the farmers' land in his constituency. Well certainly the No. 1 Highway that was here when we came into office wouldn't have dammed very much water. My friend had better confer with his colleague, the Liberal Member of Parliament for Qu'Appelle, Mr. Mang. If he will read page 746 of the Unrevised Hansard for February 1, 1955, he will find that Mr. Mang has a different story to tell. He refers to the P.F.R.A. dam on Pipestone Creek and how the water has been reversed. Instead of going south-east, it has gone north into Qu'Appelle lakes. As I understand it, the story is that the P.F.R.A. dam was raised six inches so that some gentlemen in the area could do some fishing, the result of which was that the water was backed up onto the farmers' land. If my friend is concerned about the water backing up from the Pipestone Creek dam, I suggest that he confer with the Director of the P.F.R.A., Dr. L.B. Thompson. Dr. L.B. Thompson is an international authority on water conservation and more recently has become an authority on how it feels to be scalped by one's friends.

Mr. Speaker, as has been pointed out in the Speech from the Throne, this has been a very drastic year in Saskatchewan for agriculture because of excessive moisture and because of heavy rust infestation. The cash farm income for Saskatchewan in 1954 dropped to \$466,000,000 as compared to \$744,000,000 in the previous year. That is a drop of \$278,000,000, or in excess of \$2,500 per family. If we add to that the \$114,000,000 decline in wheat inventory on the farms, it is a reduction of \$392,000,000, or a reduction of over \$3,700 per farm family. That is a very serious drop in farm income.

However, there are one or two bright spots in the picture which I ought to mention. There will be payments this year from the P.F.A.A. of about \$15,000,000. Up until the end of December only \$267,000 of this amount had been paid up but the balance of that will be paid in 1955. The final payment from the Wheat Board on 1953 coarse grains amounted to about \$6,500,000 and the interim payment on 1953 wheat amounted to almost \$25,000,000. If

there is a final payment this year, as there likely will be, of anywhere from eight to ten cents a bushel (that is the anticipated figure at this moment), that will bring another \$25,000,000, making a total of over \$17,000,000 which will be paid out from the sources I have mentioned. While it will not by any means begin to replace the \$278,000,000 loss in farm income, it will be a very welcome addition to the purchasing power of the farming population. There is another bright spot in the picture. Grain is moving better and there will be increased grain deliveries in 1955. This will not help the farmers who had no crop but the fact remains that at January 26th of this year there were over 150,000,000 bushels of wheat on Saskatchewan farms, and as this wheat is delivered it will put more money into circulation in the province. One other encouraging feature is the fact that at the 26th of January the sales of wheat under the International Wheat Agreement had amounted to 91,575,000 out of a total quota of 152,237,000 bushels as compared with 90,895,000 for the entire last crop year.

In other words, we have already sold, under the International Wheat Agreement, more wheat in the first six months of this crop year than we sold in the entire last crop year. As of this date last year we had only sold 55,200,000 bushels of wheat under the I.W.A. In a six week period ending in January 19th this year Saskatchewan farmers had delivered over 30,000,000 bushels of wheat. That is at the rate of about 5,000,000 bushels a week. Increasing demands by import nations for wheat and a firming of the price are good indications that farmers will be able to deliver all the wheat they want to in this crop year. When the 1955 crop comes off there should be available space in the elevator system to take delivery of it.

I would like to say a word or two about the steps which were taken by the Provincial Government in light of the very serious curtailment of farm income in Saskatchewan. I do not need to tell honourable members that a decline of \$278,000,000 in farm income creates problems for our provincial government. A reduction of purchasing power is bound to affect the Education and Hospitalization tax, the gasoline tax, liquor profits and the other sources of revenue upon which a provincial government must depend. Side by side with this revenue decline is an increasing demand for Mothers Allowance, for Old Age Assistance and for Social Aid. Many people who normally have some revenue coming from a farm, must be assisted by the municipalities or by the provincial government when there is no farm revenue.

In years gone by members across the way have often said that the C.C.F. Government has been very fortunate in that we have been able to spend a lot of money but that we would certainly be in trouble if we ever got a bad crop. Mr. Speaker, I think that it speaks well for the financial housekeeping of the Provincial Treasurer that we have been able to meet this very serious decline in provincial income without curtailing any of our services. In fact we will be able not only to hold the line, but actually expand some of the provincial services. In spite of the fact that some of the opposition press delight in finding fault with the Provincial Treasurer, I think they recognize his brilliant handling of the finances of this province has been largely responsible for the success which this Government has had.

One of the first things which was done by the Government when it was apparent that we were going to have a crop failure, was to take steps to assist farmers to get feed and fodder. Assistance was given to move haying equipment from deficiency areas to areas where there was an abundance of feed and fodder. Assistance was given to move feed from one area to another. The Government provided freight assistance to move potatoes from

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surplus areas into deficiency areas and paid freight costs to any municipality which wanted to purchase potatoes and distribute them among the people of their community.

Steps were taken immediately to see that seed was kept in the province for the 1955 crop. On October 25th of all the municipalities were circularized and asked to assess their position. Subsequently lists were sent out to municipalities telling them where seed could be secured. On November 3rd all municipalities were notified that provisions of the Municipalities Seed Grain and Supply Act were declared operative and all they had to do was pass a by-law to obtain seed for the farmers in their municipality. I should point out that last year the Municipalities Seed Grain and Supply Act was also made operative, not only for seed and seeding supplies but also for summer fallow and summer fallowing supplies, and the same will be done in 1955.

We also carried on a programme of work and wages to take care of people in those areas that were badly flooded. Even before the rust was apparent there were areas in the province which had no crop for two and in some cases for three successive years because of flooding. A Special Cabinet Committee was established last July and they set up a work and wages programme, most of which was carried out in the north-east and across northern Saskatchewan. Municipalities were given special grants to do road work. The Department of Municipal Affairs provided special gravelling and road work in L.I.D.'s. The Department of Agriculture undertook drainage works, cleared channels, and fixed up local community pastures. The Timber Board undertook to take delivery of and stockpile 25,000 cords of fuel wood and pulpwood and 20,000 ties in order to provide employment for people in those areas.

It was also decided to pay out clearing and breaking credits on Crown land. Because most of that Crown land was in the northern areas, particularly in the north-east, it was felt that these people could use the money at a time like this. These programmes, Mr. Speaker, make up an estimated expenditure which the Government could not possibly foresee, and which this Legislature will be asked to ratify, of \$1,607,310. The Leader of the Opposition said yesterday that we hadn't done enough. Work and wages, he said, was all right, but we had not done enough. Mr. Speaker, the people in this province know what was done in the 'thirties. A man did not get work and wages. He went to a relief inspector and begged for a crumb with which to feed his family and then had it charged against his land in perpetuity.

Mr. Danielson: — Huh — bunk!

Premier Douglas: — Any policy designed to enable people to keep their dignity, to earn money by the sweat of their brow and to feed their families will, I believe, commend itself to the people of this province as compared to a relief policy that reduced people to a state of servility.

I should point out, Mr. Speaker, that reduction in farm income is not due wholly to the crop failure. I noted a speech made by the Federal Minister of Agriculture in the House of Commons in which the impression is left that if only we had had a good wheat crop agriculture would have been very sound in Canada. The fact remains that while the loss of a crop was a major factor, we must recognize that the plight of the farmer is also due to the growing disparity between the price he gets and his cost of production. One has only to look at the index figures provided by the Dominion Bureau of

Statistics. You will find that in 1951 the farm price index for Saskatchewan was 268.7 and for 1954 the estimate is that it will not exceed 210. On the other hand, the farm living cost index in western Canada in 1951 was 200.7 and in 1954 it was 206.9. In other words, in a period of less than four years the farm price index has dropped 58.7 points, while the living cost index has gone up 6.2 points — a spread, Mr. Speaker, almost of 65 points.

When one sees a situation in which the farmers' prices dropped 58 points and his cost of living and his cost of production go up six points, then even a crop cannot help to keep them in a state of solvency. The crop failure alone does not account wholly for the condition of agriculture. There is a need in this country for a parity price formula to bring prices into line with the cost of living. This underlines the need for national marketing policies for livestock and dairy products and for making the Agricultural Prices Support Act applicable in guaranteeing minimum prices to the producer.

Yesterday the Leader of the Opposition said that this Government had done nothing about farm prices and farm income. Mr. Speaker, I suggest to my friend that he read again Sections 91 and 92 of the British North America Act. We have no jurisdiction in the matter of tariffs and of securing and keeping overseas trade. We have no jurisdiction in the matter of guaranteed prices. I refer my friend to where the authority lies. The Federal Government passed the Agricultural Prices Support Act. I was one of the persons who supported that Act because I agreed with its principles. If you will read Section 9, subsection 2, you will find that this is what it says:

“In prescribing prices under paragraphs (a) and (c) of subsection 1, the Board . . . shall endeavour to secure a fair relationship between the returns from agriculture and those from other occupations.”

Mr. Speaker, would anyone in his right mind suggest today that there is a “fair relationship between the returns from agriculture and those from other occupations.” There is the responsibility! An Agricultural Prices Support Act is on the statute books and an Agricultural Prices Support Board has been established, with an Agricultural Prices Support Fund of \$200,000,000, very little of which has ever been used. There is the place, and the only place, that can adequately provide for the farmers of this country guaranteed income and a stabilized industry.

Mr. Speaker, this brings me to something I have raised in this House again and again, namely the need for a Federal-Provincial Conference to deal with the problems of unemployment and low agricultural income. These two things are not separate problems. They are two aspects of the same problem. It is no accident that the areas which have experienced the greatest unemployment in Canada are those which are chiefly dependent upon the purchasing power of the farmers. The first industries to feel the cold blight of unemployment are the industries manufacturing farm machinery, trucks, cars, and textiles. All of these industries are dependent upon the purchasing power of the Canadian farmer. When farm income drops and farm purchases are curtailed, then industry experiences a recession and unemployment becomes a major factor. It was interesting to note that the Leader of the Opposition had nothing to say about this problem of unemployment. But it is a serious problem! As at December 30th last there were 465,764 persons registered as unemployed. That was 26,493 more than there were at the same date the previous year. Throughout the year we stayed ahead of the unemployment figures of the previous year and last April we reached the all-time high of 560,053. If the ratio continues

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throughout the year, then there is every likelihood that we may pass that figure on April 1st of this year. But leaving out any prognosis for the future, and taking the unemployment figures as they are today, we find that they represent 10.8 per cent of the wage earner force of Canada. Do honourable members realize what that means? It means that one person out of every ten in Canada is walking the streets looking for a job. That is a disgrace for a young country. In a young country crying for development there ought not to be one able-bodied person looking for work.

Mr. Loptson: — What are you doing about it?

Mr. Cameron: — Where are your industries?

Premier Douglas: — The Prime Minister of Canada has made a statement about this matter with which I agree. Mr. St. Laurent said, speaking to the Reform Club in the city of Quebec on September 18th last:

“We are told that for some time now construction industry activities have been slowing down slightly. We have deliberately held back a great number of construction projects we want to launch. We did not wish to compete with private industry, with Canadian individuals, in the hiring of workers and the purchase of materials. But we have a duty to prevent a drop in the construction industry and we are going to prevent it . . . We have a country where there should be work for everybody and if we are not smart enough to organize the economy of the nation to provide work for everybody we are incompetent . . . I cannot give details, but I am convinced that if my colleagues and I cannot organize economic controls in such a way that there will not be any long periods of lots of work for those who want to work, then throw us out and put in our place people who can do better.”

With these sentiments I am heartily in agreement.

Hon. Mr. Brockelbank: — They don't agree over there.

Premier Douglas: — Year after year I have been asking that there should be a Federal-Provincial conference to deal with the problems of unemployment and low farm income. In this House I have warned again and again that if we continued to lose overseas markets, if our agricultural products pile up, and if farm prices drop, then unemployment would be the inevitable result.

The Canadian Federation of Mayors and Municipalities, the Canadian Chamber of Commerce, the Canadian Congress of Labour and the Trades and Labour Congress have all asked that a Federal-Provincial conference be called to co-ordinate plans for combating unemployment and low farm income. Mr. Speaker, this does not mean that the Provincial Government and the municipalities are seeking to shirk their responsibilities. We have responsibilities under the Constitution of Canada and we are prepared to discharge those responsibilities. But the Federal Government has power which none of the rest of us have. They, and they alone, have control of the fiscal policy of Canada. They, and they alone, have control of trade and commerce. They, and they alone, can issue money at low rates of interest to implement large public works projects. We are not asking them to do everything. But we have a

right to ask them to give some leadership and we have a right to ask them to co-ordinate the activities of the provinces, municipalities and the Federal Government in a concerted and integrated attack upon the problems of unemployment and low farm income.

My friend across the way asked what we were doing about it. This year we will be undertaking the biggest capital programme ever undertaken by any government in the history of Saskatchewan and many municipalities have already indicated that they are going to undertake very necessary public works involving large sums of money. But the provinces and the municipalities by themselves cannot meet this problem. One reason is because of something which the economists call leakage. In the case of Saskatchewan this leakage is about 75 per cent. For instance, when we undertake a public works project in this province, whether it is municipal or provincial, out of every dollar we spend twenty-five cents goes to create employment in Saskatchewan and seventy-five cents goes to other parts of Canada — to the steel processing mills, to the cement factories, to the places where glass is made, to the places where turbines are made, and to where electrical fixtures and plumbing fixtures are made. That is why we need an integrated programme. That is why we have asked that the South Saskatchewan dam should be proceeded with, not only because it would give employment to probably a thousand people a year in Saskatchewan, but because it would also give employment in Eastern Canada for the processing of steel, for the production of cement, for the making of turbines in the equipment for the power plant and for the construction of great earth-moving machines.

This is not a problem that can be tackled piece-meal. This is a problem which demands an integrated approach at all three levels of government. Surely, Mr. Speaker, and a country like Canada where we need houses, where we need great transcontinental highways and tourist highways connecting us with United States, where we need recreation centres, hospitals, schools, old people's homes, and where we have all the resources with which to produce them we can organize ourselves and tackle our unemployment problem. We organized in time of war and we could do it again in time of peace if we had the imagination to get at the job.

The Prime Minister of Canada said:

“ . . . if we are not smart enough to organize the economy of the nation to provide work for everybody we are incompetent . . . ”

I say that they had better get busy or history will give the answer in the affirmative.

Mr. Speaker, the thing which I am suggesting is not new and not foreign to Canadian thinking. All I am suggesting was already envisaged by the Federal Government itself when it convened a Federal-Provincial Conference on Reconstruction in 1945. At that time the Federal Government saw the danger of economic dislocation and unemployment in the post war period. However the dangers they saw have been postponed; first by the Korean war and later by a great re-armament programme. But they were not removed. Now they are beginning to re-appear.

In 1945 the Federal Government, and I for one commended them for doing so, called a Federal-Provincial Conference and puts before us what

are commonly known as the "Green Books." The Green Books contain a number of proposals. The first proposal was that the provincial governments should surrender certain taxing powers in return for annual payments in order that the Federal Government might have the overall control of the national fiscal policy. That is, the Federal Government wanted to have control of the taxing power of Canada, so that if at any time, following Lord Keynes's theory, there was need for more purchasing power they could lower the taxes, and any time there was inflation, they could raise taxes and take some of the surplus purchasing power out of circulation.

Several times the Leader of the Opposition talked about the subsidy we get as though it were a gift. This is not a gift. The Tax Rental Agreement provides for a sum of money to be given to the province for the rental of certain tax fields. In this way we are able to draw on some of the tax revenues paid by corporations to do business in our province but who pay their taxes in Central Canada. It is not a gift. It is revenue to which the people of this province are entitled.

The second thing the Federal Government proposed in 1945 was that it would assume full responsibility for all able-bodied unemployed if the province would accept responsibility for the unemployables. The third thing that Federal Government undertook was to co-operate with the provinces and municipalities in a public investment programme by providing money at low rates of interest and making grants for construction projects designed to alleviate unemployment and to increase purchasing power. The fourth thing was that the Federal Government agreed to stabilize agriculture through the national marketing scheme and through the Agricultural Prices Support Act from which I have already quoted. The fifth thing was that the Federal Government agreed that it was willing to pay 60 per cent of the cost of a national health insurance programme in any province where the provincial government would raise the other 40 per cent. The sixth thing was that the Federal Government agreed to establish certain minimum standards of social security. Well, we have had a chance to see what is being done about these minimum standards of social security. My honourable friend yesterday told us how much money the Federal Government was putting into the province and old age pensions. First of all, they got a constitutional amendment put through to which we agreed, making people 70 years and over the sole responsibility of the Federal Government. Then they put on the famous 2-2-2 tax, 2 per cent on personal income, 2 per cent on corporation taxes and 2 per cent on sales tax, hypothecated space for the purpose of paying that \$40.00 a month to people 70 years of age and over.

But, what has happened? For this group of people who are, under our Constitution, solely a Federal responsibility, my friend across the way is now saying to us, "Why aren't you giving them more money?" We are going to give them more money! We have been giving them money and we are going to give them some more, not because it is our constitutional responsibility, but because we cannot stand by and see them suffer because the Federal Government has failed to discharge its moral responsibility.

This is the type of programme which the Federal Government devised back in 1945 to meet the threats of unemployment and low farm income, should they arise. What have they done about it? Instead of implementing that programme they have consistently shied away from it. Now a step has been taken which, in my opinion, will make it even more difficult to carry out the programme which was outlined in 1945. I refer to the proposal which was sent to me and to the other premiers in a letter from the Prime Minister dated

January 14th. In this letter the Prime Minister reported that the Federal Government proposes to amend the Federal Income Tax Act to allow the people in any province not under the Tax Rental Agreement a 10 per cent reduction in their Federal income tax, whether or not they paid a provincial tax.

I notice that the Leader Post has taken me to task. I am now called a centralizer. That is interesting, because if there was any desire to have a centralized fiscal control in Canada, it was expressed by the Federal Government in the conference of 1945. When they made that proposal I was one of the first at that conference able to get up and support it. The Premiers of Ontario and Quebec attacked it, and even some of the Liberal premiers were reluctant to give it any support. I supported it, but not for political purposes. I could have made good political capital by opposing it. I supported it because I thought it was good for Canada. The only difference between myself and the Liberal party is that I have refused to desert my position for the sake of political expediency.

Most members will recollect that at first all the provinces signed Tax Rental Agreements except Ontario and Quebec. But when, in 1952, Ontario signed the Tax Rental Agreement it looked as though the battle was nearly won. Last year, however, Mr. Duplessis, the Premier of Quebec, imposed a personal income tax of 15 per cent and asked for that right of set-off against Federal income tax. You will remember what Mr. Abbott, the Minister of Finance said in his budget speech of only the 6th of April last:

“The principle underlying the suggestion that provincial tax should generally be allowed as an offset against federal tax strikes at the very root of the system of Federal-Provincial tax agreements which have been developed in this country.”

I want to point out to those who are criticizing that the C.C.F. have never been as inflexible as Mr. Abbott. Our National Council said only a month or so ago that we were quite agreeable if Quebec or any other province wanted to levy a 10 per cent provincial personal income tax. We also said that a person should be allowed to deduct the 10 per cent tax paid to the provincial government from their Federal income tax, provided the total amount collected by the province did not exceed the amount which that province would get under the Tax Rental Agreement. On the other hand, if they collected more, we asked that they pay it into the Federal treasury. That is the important point, because it would mean that there would be a ceiling on the total amount of taxes that province would collect. There would be no inducement for a provincial government to go above the 10 per cent or to collect more than it would get under the Tax Rental Agreement if it had to turn its surplus collections over to the Federal Government. Why is it important that we keep control of the sum total of taxes? For this reason: If we were to get into a period of deflation and the Federal Government wanted to put more money into circulation by reducing its personal income tax, let us say by 20 per cent, the value of that reduction could be completely offset by a provincial government raising its taxes 20 per cent. Therefore, it is important that there be an overall control of the total amount of taxes collected. The proposal we made would have allowed Quebec taxpayers to deduct the amount of their tax but it would not have allowed Quebec to collect more at any time than it would get under the Tax Rental Agreement.

But Mr. St. Laurent has gone much further. He has said that not only can the people who pay a 10 per cent or 15 per cent provincial income

tax deduct up to 10 per cent from the Federal tax but even the people who don't pay any provincial tax can also deduct 10 per cent from their Federal tax. Now what does that mean? It means that a taxpayer who is married and has no family, with an income of \$3,000 a year in Saskatchewan or any other province which has the Tax Rental Agreement, will pay income tax of \$170. But in a province that is not in the Tax Rental Agreement you will get a 10 per cent reduction and he will pay \$153, or \$17 less. That means that in the province of Quebec, because their income tax has a thousand dollar higher exemption than the Federal tax, 600,000 taxpayers who will not pay any provincial tax will nevertheless get a 10 per cent reduction on their Federal tax.

Some of the Liberal newspapers and Eastern Canada have been trying to create the impression that my attack on Mr. St. Laurent's proposal represents an attack on the rights of the people of Quebec. Of course that is simply an attempt to drag a red herring across the trail. Mr. Speaker, all my public life I have stood four-square against any type of racial or religious intolerance. As long as I live I shall continue to fight for the right of the French Canadians in this country to enjoy the minority rights which they are guaranteed under our Constitution. I will always fight to allow the French Canadian people those rights of race and language, and culture and education which are so dear to their hearts. But the tax question has nothing to do with provincial rights or with race or language. Ontario could probably do better financially under Mr. St. Laurent's proposal. I would also take exception if Ontario accepted Mr. St. Laurent's proposal because in Ontario, as in the case of Quebec, those who do not pay a provincial income tax would pay 10 per cent less Federal tax than those of us in provinces where there were Tax Rental Agreements. I don't care what province that is. As I said the other day in a Provincial Affairs broadcast, I am opposed to favouritism for any province, even Saskatchewan! National unity can only be built on the principle of special privilege for none and equal treatment for all.

It is fallacious to argue that we can take this proposal if we want to. Any person who has studied the Rowell-Sirois Commission report knows very well that the only way the western provinces and the Maritime provinces can get their share of the corporation taxes paid by corporations who do business in their provinces but who pay taxes in Central Canada is to stay within the Tax Rental Agreement. They know that. Therefore we must stay within the Tax Rental Agreement. If Ontario and Quebec leave the Tax Rental Agreement its whole structure will be weakened. What effect will that have on the Federal Government's power to deal with the problems of unemployment and low farm income? I suggest, Mr. Speaker, that the Government of Canada has already put its feet along the path that leads back to the old pre-Rowell-Sirois Commission days of provincial rivalry and federal impotence to deal with economic dislocations.

Back in 1945, when the Federal-Provincial Conference on Reconstruction was held, the Prime Minister of Canada, who was then the Minister of Justice, on opening the Conference made a speech. It was a statesmanlike speech. Among other things he said this:

“Our objectives are high and stable employment and income, at a greater sense of responsibility for individual economic security and welfare.

“These proposals assume a broad Federal responsibility in co-operation with the provincial governments, for establishing the general conditions and framework for high employment and income policies, and for support of national

minimum standards for social service. They also assume that provincial governments should be in a financial position to discharge their responsibilities adequately.”

Mr. Speaker, if those were good principles in 1945, they are equally good principles in 1955. I remember when these proposals came out. The Liberal press of this country had big banner headlines talking about “Re-Confederation.” This was to be re-Confederation and I agreed with them. I went on the air in this province and lauded the Federal Government for the programme it had laid out and said we would support it. If it was not re-Confederation in 1945, I am afraid it is going to be de-Confederation in 1955.

The Prime Minister has said that there will probably be a Federal-Provincial conference in the matter of Tax Rental Agreements this year. I think it would be helpful to the Government if we knew something of the mind of this Legislature and the people of Saskatchewan when we are discussing this question with the other provinces and with the Government of Canada.

Having talked about the effects of the drop in agricultural income upon our provincial economy in revenues, let me just say a few words about the non-agricultural aspect of Saskatchewan’s economy, which have shown encouraging growth during 1954. Ever since the end of the war this Government has laid emphasis on the need for developing our resources and for encouraging industry because we believe that such development would help to offset any loss of agricultural income which might take place in a crop failure year. That belief has been vindicated. I think the resiliency of our economy this year, in spite of the tremendous drop in farm income which I have mentioned, is due in part — not wholly but certainly it is due in part — to the fact that non-agricultural income has held its own and even continued to grow. The Federal Department of Trade and Commerce last year estimated that the public and private investment in the province for 1954 would be \$474,000,000. While all the figures are not in, it would look now as though that estimate will be reached or surpassed. In the oil and gas industry alone last year there was an investment of \$86,000,000. Forty-eight million dollars of that was for exploration and development and \$38,000,000 was spent on the construction of pipelines and refineries.

The development of these industries means a great deal to the municipalities. Many of the municipalities are now able to collect taxes on pipelines going through their territory. It means quite a lot to the provincial government. Looking back we realize that ten years ago the provincial government was getting a revenue of about \$1,600,000 from resources. In 1953-54, we got about \$11,250,000 or roughly about \$8,500,000 from resources royalties and the other \$2,750,000 from the sale of Crown land (some of which went in to the School Lands fund). For this present fiscal year our estimate at the beginning of the year was \$8,824,000 and I think there is a good chance that that will be reached or even surpassed. I think we can look forward to getting increasing revenue from these non-agricultural developments that will help to stabilize or provincial revenue.

We estimate that by 1960 we should probably be getting in the neighbourhood of some \$15,000,000 a year from royalties and probably another \$15,000,000 from the sale of leases. That will do much toward stabilizing our economy and offsetting periodic drops in farm income in a crop failure years.

Mineral production is continued to grow. In 1954, mineral production in Canada increased by 8.8 per cent over the previous year, but in

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Saskatchewan mineral production increased by 18.5 per cent over 1953. The latest figures indicate that the value of metals and non-metallic minerals produced in Saskatchewan last year was again twice as much as that of Alberta and Manitoba combined. Salt, for instance, was up by some 1,420 tons over 1953; sodium sulphate was up by 28,100 over 1953 and 41,000 tons over 1952; coal was up by 40,000 tons, despite the fact that coal production in Canada last year dropped by over 1,000,000 tons. Oil production doubled last year over the previous year and a Minister of Mineral Resources anticipates that it will be more than doubled this year over the previous year.

I noticed the statement in the press by M. Bennett, head of Atomic Energy of Canada Limited. He stated:

“By the end of 1957 uranium production in Canada will be something over 12 times as great as it was at the end of the war. The annual gross income from that production will be approximately \$100,000,000, ranking uranium in fourth place in the gross dollar value of metal production in Canada.”

At the present time some eleven mining operations are in progress, most of which will be completed in 1955. These involve a capital expenditure of over \$50,000,000. We expect that during this present year the amount of money spent on gas exploration and development will be in the neighbourhood of \$52,000,000, as compared with \$48,000,000 last year; and it is anticipated another \$7,000,000 will be spent in the construction of pipeline and refinery expansions.

Industrial development in the province continues to show encouraging symptoms. During 1954, 341 new companies were incorporated, with a total capital of over \$47,000,000; 13 new warehouses were constructed in the province during the past year at a total cost of over \$5,000,000. Fourteen new manufacturing plants were established during 1954 covering the manufacture of electrical transformers, anti-freeze, agricultural chemicals, insulation, playground equipment, cabinets and office furniture, arc welders, mattresses, prefabricated houses and several types of building material. Twenty additions to existing industries were constructed during the past year, covering the productions of items such as metal culverts, air conditioning equipment, petroleum products, animal feeds, brewery products, farm machinery and equipment, steam boilers, wood preservative treatments and food products. Four pipeline construction programmes were completed in 1954 and as honourable members know a gas ice industry is projected for 1955. I say these are encouraging signs. We do not blind ourselves to the fact that Saskatchewan faces many problems when it seeks to develop industries. We are a long way from markets and freight rates are exceedingly high. Yesterday, the Leader of the Opposition twitted the Government about our pulp and paper industry. My honourable friend would probably like to know that one of the main problems we are wrestling with is the exceedingly high freight rate. Unless we can get freight rates which make an industry economically feasible, then of course it is very difficult for anyone to undertake such an industry. Freight rates are a problem.

Another thing which we need Saskatchewan for industry is very large supplies of low-cost power and we need, for industrial purposes, very great quantities of water. That is why the South Saskatchewan dam is so important to the development of this province. The South Saskatchewan dam, from the viewpoint of our economy, would do three things: First, it would

stabilize our agricultural economy by giving us, to begin with, a 250,000 and eventually 500,000 acres of irrigated land which would make possible the production of things like rape-seed, sugar beet and vegetables for canning. A whole series of small industries would be possible if we have a large area of irrigated land. It would also provide a perpetual supply a feed in drought years when other areas in the province may not have sufficient feed. The second thing it would do is supply cheap hydro electric power. Our power consumption in this province is growing at the rate of 20 per cent per year. This means that if it keeps up we shall have to double our total generating capacity every five years. At present we have to rely on coal, gas and oil. Hydro electric power would of course be cheaper and would attract industries. The third thing is that the South Saskatchewan dam, creating a lake some 138 miles long, would give us a great body of water so that industry could come here knowing it would have all the water required for industrial purposes.

I was glad to hear the Leader of the Opposition say yesterday that he thought the Federal Government should pay for the South Saskatchewan dam and that the Provincial Government should pay for the power installations. Well, we certainly agree with him. I just wish he could persuade the Liberal Government at Ottawa to take the same position. If he would only speak about this to Mr. Gardiner, who thinks that we should not only pay for the power installations but pay a good share of the cost of the dam itself, and if you will only talk to the Prime Minister who has repeatedly said that he has not yet been convinced that the South Saskatchewan dam is in the national interest! I have asked several times for a meeting with the Federal Cabinet so that we could have an opportunity to convince them that the South Saskatchewan dam is in the national interest. It seems to me that if the Canso Causeway connecting Cape Breton Island with the mainland, which cost \$27,000,000 is in the national interest (and I think it is), and if the St. Lawrence Seaway is in the national interest (Mr. Robert Saunders, the late Chairman of the Ontario Hydro, said a few days before he was killed in an airplane accident that the St. Lawrence Seaway is going to be worth \$26,000,000 a year to the people of Ontario), and if the Federal Government can put money into these projects, then surely the South Saskatchewan dam, which will give stability to our agricultural industry and help to promote industry in Saskatchewan which will stabilize our economy and provide employment for our people, is in the national interest.

Mr. Speaker, the Speech from the Throne also mentions the fact that this is Saskatchewan's 50th anniversary — that this year we will be celebrating our Golden Jubilee. I would like to express my thanks and I am sure the thanks of the Government and probably all the members of the House to the Golden Jubilee Committee and its chairman, Mr. Justice Culliton, for the splendid work which they have done in laying plans for this Golden Jubilee and for making it a great success which I know it is going to be. I am not going to go into this Jubilee celebration in detail. The Minister of Education, who is vice-chairman of that Committee and who has worked very hard at it, will probably be giving the House a detailed report sometime during the session. But I would like to make mention of some of the things which are being done and will be done during this year. As honourable members know, there will probably be somewhere around fifty national and international conventions being held in the province of Saskatchewan this year. They vary from things like the Macdonald Brier, Dominion Drama Festival, Dominion Wrestling championships, and Dominion Boxing championships to the International Stock Show, the Commonwealth Stock Show, Midwest Trap Shooting competitions; two great conventions such as the Gyro convention and the Elks convention at which between three and four thousand people are expected. I think it is safe to say that

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thousands of people will be visiting our province this year, coming to attend national and international conventions. I am making an appeal to all the people of the province to show them a good sample of our western hospitality. We have made a special plea to hotels and restaurants and to those who cater to the tourist trade to paint up and light up and brighten up the various communities so that we can give these people an enjoyable time while they are here in order that we can send them home feeling that they want to come back and visit us again.

I am sure members will be interested in the fact that during this Jubilee year there will be three publications of interest. First of all a book called "Saskatchewan — The History of a Province," written by Jim Wright assisted by Alex Robb and illustrated by Alf Davey, is expected to be on sale by May 1st. Then there is a book called "Saskatchewan, the Story of the Province" by John Archer and Alex Derby, which is to be used as a school textbook. Finally, there is "Saskatchewan Harvest" which is an anthology of prose and poetry compiled by Dr. Carlyle King, head of the Department of English at the University of Saskatchewan.

Members will be interested to know that a full-length coloured film is being made by Crawley Films of Ottawa and that it will be shown in all movie houses in the province, probably commencing around May 1st.

A very interested programme of marking historic sites in the province was started in 1954 and will be completed in 1955. Various communities have co-operated with departments of government in preparing these sites and about fifty all of them will be marked in the province before the end of the year.

I am sure that all the members followed with interest the trip made by the Jubilee Choir. This group of young people from the city of Regina visited Chicago, Minneapolis, St. Paul and Winnipeg, sang at State Fares, or on the radio and on television, taking to our neighbours in other parts of this continent a message and song about Saskatchewan and inviting them to come and visit us on our fiftieth birthday. You will be glad to know that, starting the 29th of May, they are leaving for the city of Chicago where they will sing before the International Rotary convention. This is a world convention at which there are to be somewhere around twenty-eight thousand delegates. They will also sing at a Commonwealth convention, and go on to sing at "Saskatchewan Nights" sponsored in Toronto and Ottawa by the Saskatchewan University Alumni. I am sure we all wish the choir well in their good-will trip and I want to say how much the people of this province enjoy the fine public-relations job which they have done.

Mr. Speaker, the most important part of this programme will be the celebrations back in the respective communities. Some 60 communities have already announced their complete Jubilee programme and it is anticipated that between 175 and 200 communities will sponsor Jubilee celebrations. Many of these will lay the emphasis on old-timers' reunions and welcoming back to the province former residents. A mailing list of something over 25,000 former residents has been built up and I think something over 4,000 have written and indicated their intention of returning to the province this year. I hope that we can give them a very fine welcome.

I ask the members of the House to remember three very important dates in this Jubilee year. The first will be May 16th when His Excellency the Governor General will officially open the Museum of Natural History. During that week Saskatchewan dailies and ninety-five weekly newspapers will

bring out a special edition of formally heralding the Jubilee celebration. That will be the official beginning of the Jubilee celebrations. The second day I wish to draw to your attention is July 17th, which is to be Saskatchewan's Day of Prayer. On this day the people of this province will give thanks for the bounties of the past and ask for Divine favor with which to meet the challenge of the future. The third day to keep in mind is September 5th. special celebrations will be held to commemorate the meeting in Victoria Park, Regina, at which Sir Wilfrid Laurier officially declared Saskatchewan to be a member of Confederation. It is hoped that at this historic gathering we shall be favoured with the presence of the Prime Minister of Canada and four former Premiers of the province. I think it is a very happy omen that, just as we had Sir Wilfrid Laurier here to declare Saskatchewan a member of Confederation 50 years ago, we are to have the privilege of having another great French-Canadian Prime Minister in our province on this, our Jubilee, to wish us well and to join with us in our birthday celebration. I am sure there is no need for me to appeal to all the members of the House to co-operate in their own constituencies with the various Jubilee committees that have been set up. I am sure they are doing that already. The response to the Jubilee is growing throughout the province and hundreds of committees are sponsoring various kinds of programmes to commemorate this important occasion. I would like to think that in this, the biggest birthday celebration we have ever had, we will have such a good time and the people come to visit will have such a good time that 1955 will be a year long to be remembered.

The Jubilee year will be a great year. It will be a year of celebration. It will be a year of happy reunions, of meeting old friends and re-living old times. It will be a happy and joyous occasion. But Jubilee has a deeper meaning. It is also a peoples' prayer of thanksgiving to God for His abiding presence and His continuing goodness unto the children of man. It is a time of dedicating ourselves to walk in His ways all the days of our lives. This Jubilee year will be one in which we honour the past, but we will also acclaim the future. But we must deserve that future and we must strive to be worthy of it. If we bring to the problems of our day the same vision and courage which the pioneers brought to the problems of their day, only then shall we be worthy of it. Let us, therefore, seek to so conduct the affairs of this province that fifty years from now in new generation will praise us for our vision and foresight. Let us so build in the second half-century of our history that in the years to come men will look back and say that we matched the greatness of our times.

Leave having been granted unanimously, on the motion of the Hon. Mr. Fines, seconded by Mr. McDonald:

“Ordered, That the Select Standing Committee on Standing Orders, in consultation with Mr. Speaker, consider the matter of the times for the opening and closing of meetings of the Assembly on each sitting day, and other matters relating to the Standing Orders of the Assembly, said committee to report with all convenient speed its findings thereon, and to make such recommendations as may seem to it desirable.”

Hon. Mr. Fines (Provincial Treasurer): — This motion is made, Mr. Speaker, in order that the Committee might have an opportunity to look at the hours of the House. We do a great deal of work outside of the House. I do not think it is generally recognized the hours that are put in. The hon. members, when they are in attendance, do have a

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great deal of constituency business which must be attended to. That takes from 8:30 and until 10:00 in the morning, and then we have, practically every day of the week, either Public Accounts or Crown Corporations Committee, or some other committee, and that goes on until 12:30 or 1:00 o'clock. Then we get back here and go from 3:00 o'clock until 6:00 o'clock and then back in the evening . . .

Premier Douglas: — Sometimes with caucus in between.

Hon. Mr. Fines: — . . . from 8:00 o'clock until 11:00, and that as the Premier points out, frequently we have to have caucus of the members in between times.

Mr. Speaker, what I had in mind was that the evening recess — that period between 6:00 and 8:00 o'clock — might be reduced to, say 7:30 o'clock, and then to adjourn at 10:00 o'clock. By the time one gets home after the House adjourns at 11:00 o'clock at night, and probably have a glass of milk or something before we go to bed, it is midnight or after before where are able to get to bed. Then we have to be back here next morning at 8:30. It makes a very, very strenuous day and I think that all honourable members would appreciate getting that extra hour between 10:00 and 11:00 in order that they might get to bed a little earlier. Especially when we are getting old, Mr. Speaker it is very important that we must get our sleep at nights. And so I hope the Committee will consider this suggestion of having the evening sessions from 7:30 until 10:00, having just 1 1/2 hour recess after the six o'clock adjourn.

The question being put, it was carried unanimously.

Mr. Robert Kohaly (Souris-Estevan): — Mr. Speaker, I beg leave to adjourn the debate.

The Assembly adjourned at 4:45 o'clock p.m.