

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Thirteenth Legislature
23rd Day

Monday, March 18, 1957

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

BUDGET DEBATE

The House resumed, from Friday, March 15, 1957, 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).

Hon. T.J. Bentley (Minister of Social Welfare): — Mr. Speaker, when the debate was adjourned on Friday evening, I had just dealt with a number of things which were the purposes and the philosophies regarding the operations of the Department of Social Welfare. I had explained its functions, and given the House some indication of the quality of the staff that is required to perform the various functions we are responsible for. I had also explained the operations of the Civil Defence Branch and the work it had done in the way of organizing the program to be prepared to handle any disaster which might arise, either by man or natural cause. I had dealt with the corrections Branch — that is where we try to deal with those who have offended the law, and have been put in our custody for correction in whatever way it can be given in the various age groups. I had dealt with the vocational-Rehabilitation Branch and how it attempts to re-establish people who have become disabled and wish to come back into the stream of productive labour as near as possibly on a competitive basis with other people, and to earn their own living. I had also dealt with the method of dealing with, and trying to help, the present Metis group, and have dealt with the Bureau of Alcoholism.

I had also dealt with some comments that had been made by members on your left, sir. For instance, I had dealt with the matter that had been raised by the member from Arm River (Mr. Danielson). I was advised at the time that he was absent from his seat because of illness, and I was sincerely sorry to hear that and I am sincerely glad to see him back in this seat today. I hope he is recovered from his indisposition.

Mr. Danielson: — I can take it.

Hon. Mr. Bentley: — You will recall that, during the debate, he had raised a question of the capacity of the Saskatchewan Hospital at Weyburn, and he had used a letter which he had received, which he said gave

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him the information that he gave to the House, and that is that the Weyburn Hospital is only rated as a 650-bed hospital. I pointed out in my address on Friday evening, that the Weyburn Hospital is rated by competent authorities on this continent as a 1,250-bed hospital. You will recall, also, that I had issued a challenge to my contemporary and old friend, the hon. member for Saltcoats (Mr. Lopton) wherein I challenged him to produce some real concrete evidence to show that he is in favour of the Wheat Board as the sole marketing agency for wheat, and for the closing of the Winnipeg Grain Exchange.

Then I had commented on some of the statements made by the hon. member for Melville (Mr. Gardiner). I must apologize to my colleague, the member from Melfort (Hon. Mr. Willis), for having used that word once or twice rather than 'Melville'. Maybe I should refer to the hon. member for Melville as the 'hon. member from Lebret' and we wouldn't have any mix-up in the thing then. I have shown how the hon. member had exposed his colossal ignorance in his address; I had shown how he had shown callow indifference to facts. I had shown, I think it was very evident but nevertheless sincere, that he had a great affection for himself and the sound of his voice, and I gently chided him for his rather infantile habit of chortling on the most inappropriate occasions. The attributes such as he displayed, I think, Mr. Speaker, will not place him in high regard on the part of the members of this House on either side, and I venture to predict that many more displays of this kind will obliterate the likelihood of him attaining his heart's desire, which I understand is the leadership of the Liberal party.

Mr. Cameron: — Oh nonsense! Such statements you fellows make!

Hon. Mr. Bentley: — Now, Mr. Speaker. . . .

Mr. Korchinski (Redberry): — Pretty cheap; pretty cheap!

Hon. Mr. Bentley: — During the course of this debate. . . .

Mr. Cameron: — Come on up, now.

Mr. Speaker: — Order!

Hon. Mr. Bentley: — Many hon. members have extolled the virtues of their various constituencies, and I rather admire patriotism and a community spirit in anybody. I congratulate them all on what they have said, and I think it was good up to a point. But when they, as many of them did on both sides of the House, claim that their constituencies are the best in Saskatchewan, naturally I have to take issue with a statement of that kind. I think it is a well-known fact that there are more bushels of grain and more pounds of livestock raised per person engaged in Shaunavon, than probably any other area in the North American continent. I would not even be afraid to take in the world, and one hon. member over there shakes his head.

Mr. Cameron: — What about Maple Creek?

Hon. Mr. Bentley: — Maybe he will produce some statistics sometime and show me where I am wrong. Until proven wrong, I will contend that, and when it comes to percentage of people with talents of various kinds, in sports and drama and music and matters of that kind, I would say that probably Shaunavon not only outshines the rest of them, but far outshines all the others. I think there are many who will share my opinion, Mr. Speaker, if they care to admit it.

There are a number of things I did not deal with in regard to the operations of the Department of Social Welfare. I did briefly make some comment on our Child Welfare program, in dealing with the purposes and functions, but I would like to say a little bit more about our Child Welfare program, because, while it is difficult to give priority to any of the Branches, and they are all so closely related that their various functions naturally have an affect on the work of each other Branch, it is, as I say, hard to say which one is most important. But in dealing with child welfare, I suppose we would all agree that it is so important that probably it can be allowed to take some precedence over all other welfare matters, and children are a particularly important group of people, so far as this Government and this Department is concerned.

I would just like to say a few words about our Child Welfare program. In the first place, all complaints of neglected children, no matter where those complaints emanate from, are investigated just as quickly as possible after the complaint is received, and then we are prepared to offer whatever help seems necessary according to the occasion for the child, or children, needing help. We give counselling help; we give financial help; we refer them to other agencies sometimes, such as the Psychiatric Branch of the Department of Public Health, or we may send them to some of the clinics where some physical or mental, or both kinds of care of treatment might be required, and we do our best to work with the parents of the neglected child; in the hope that the child can, and the parents can, adjust themselves to the child staying at home, which obviously, if it is at all possible, is the best place for a child to grow up.

Children born out of wedlock, of course, are of particular concern, because there is a great deal of emotional and economic stress on the part of the expectant mother. Prior to the child being born, competent workers interview and work with the mother trying to help her adjust to the unfortunate circumstances, and also to help her decide what she could do after the child is born, whether to retain it (in which case help is offered to her to get her back into society) or, if she wishes, to give the child up, and have the Department take custody of the child. When that happens, of course, the child has to have a substitute home, and that may be either an adoption home or a foster home.

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The reason I mention this again is that I want to stress what I said on Friday, so that all will understand. Our main concern when a child comes into our care, no matter what the cause, is to find a substitute home for that child where the child can grow up as nearly in a normal and a happy way as possible. That is our objective at all times. In cases of adoption we never go seeking parents who need a baby. What we seek is a home that will fill the needs of that particular child. The child is the most important thing in the whole negotiation and transaction, and we do our utmost to see that children in our care, when going for adoption, go into a home that suits that particular child.

I would like also to make it clear, because frequently it is said in debates in the House that the Government is not as considerate of the needs of municipalities, and we leave too much load on municipalities. I would like to remind the House that on very rare occasions is there any maintenance order placed against the municipality of residence. Those cases are usually where there is a common-law union, and children are born within that common-law union, and, therefore, it is a place of residence. In a case of that kind, if we get one of those, or a family of those children come into our care, sometimes a court order for maintenance is issued against the municipality.

Now, besides those who go into adoption homes, we find ourselves with quite a large number of children who are not adoptable for some reason or other, and we try to provide them with foster homes. We have something around 1,230 children in our care in foster homes at the moment. It has been my good fortune to meet a number of foster parents when we gather together for a meeting, and I find they are very fine people. I think it would be proper at this moment to express on behalf of this side of the House and, I am sure, of the whole Assembly, the gratitude of the people of Saskatchewan for the foster parents who make it possible for children to have a home and a happy atmosphere, just as if the child were theirs naturally.

I mentioned that we have 1,230, at the end of the year, in foster homes. We have 442 in adoption homes; we had a total of 1,997 children in our care. The rest of them were either in some of our own institutions, or were in some other institution such as hospitals, and a few like that scattered about. To care for those children provision has been made for \$925,000 to do the work that we have to do and to care for the children in our custody.

I want to deal to some extent with our Public Assistance Branch, too, Mr. Speaker. There are actually six groups of people who are in the Public Assistance Branch. There is a very large group of those getting social aid; there are mothers' allowances; supplemental allowance cases; old-age assistance; blind persons' allowances, and disabled persons' allowances. I would like to deal with those to some extent. I will start with the social aid group and give some idea of the history of social aid, and what this Government has done to discharge not only its own responsibilities, but added

responsibilities that it has taken on, which are not historically the job of the Provincial Government.

I think many members (or the older ones) will remember that originally what is now called social aid used to be called 'relief', and since the time the program was formed, it has always been considered a local government responsibility, not a provincial government responsibility. We find, looking back through history, that quite often the local governments turned over that responsibility to local charitable organizations to provide the necessary relief. When we came to the most difficult part of our history in the program, what is referred to as 'the dirty 'thirties', the Provincial Government then became involved, because it was necessary for the Provincial Government to come to the aid of the local governments. I want that clearly distinguished. There is a difference between coming to the aid of a local government, assisting it to discharge its responsibilities, and coming to the aid of individuals who require help. When the Government of the province, in the 'thirties came to the assistance of the municipalities to assist in relief distribution, they did it because the municipalities had found themselves unable to do it.

I don't know whether members here will recall the history, but because that was the situation, it will be remembered that there was never any provision made in the Government's estimates for this kind of relief to municipalities for them to pass on to their recipients. The amount was never established ahead of time; but what happened was that relief was given to the municipalities, and then, at the end of the year, it was passed by the House in the form of supplementary estimates. It was not until this Government came to power, Mr. Speaker, that definite provision was made in the estimates for this particular purpose of social aid, which, as I say, used to be called relief.

Since this Government came to power, it has, for a variety of reasons, assumed more and more of the responsibility that, at the time I mentioned, was the responsibility (and still is) of the municipality. Historically and legally, it is still their responsibility. But this Government has assumed more and more a share of it, and has made it available to individuals, rather than just coming to the aid of the municipalities; but we do that also, which I will mention in a few moments. Residents of local improvement districts are dealt with, and provided for entirely at the expense of the Provincial Treasury, and that takes in not only the social aid they would require, but also their medical care. Then there are some 30 areas in the program where there is a large concentration of Metis population, and the Government has assumed, in those cases, 100 per cent of the social aid costs. Then there are a number of people, who for some reason or other have lost their legal residence; nobody can establish the point of legal residence. The Provincial Government takes those people on as a 100 per cent provincial charge, and pays all the costs, not only of their social aid, but in those cases, as in L.I.D's, also all their medical care costs.

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The trend has been getting more and more towards the Provincial Government assuming the cost, and the local governments assuming less of the share of the costs. That is the trend during the last few years. I will only go back to 1954-55. In that year, for every \$45 spent by all the municipalities collectively in the province in social aid, the Provincial Government spent \$100 – more than twice as much. The trend went again the same way in the following year. For 1955-56, for every \$36 spent by the municipalities collectively, the Provincial Government spent \$100. Now, I haven't the figures for the present year, because they are not all in yet; but as I watched the expenditures going through, and sharing of them, the indications are that there will be even a greater share of the social aid cost paid by the Provincial Government this year than there was a year ago, indicating that more and more the Provincial Government is taking a larger and larger share of the social aid cost.

In the figures I just gave you, I would like this clearly understood, too. In the figures which I just gave, for 1954-55, and 1955-56, I have not taken into consideration that since July 1, 1955, the Provincial Government has been paying 75 per cent rather than 50 per cent of the social aid costs. I know somebody will say at this point, "Oh yes, but the Federal Government makes a contribution." That is true. They do. But I want again to remind the House, Mr. Speaker, that the Federal Government does not come into the picture until at least .45 of the people in the program are unemployed or on social aid, then the amounts over that they share with the provincial Government. The result of that is that there must be approximately 4,000 or more people in the province on social aid, or unemployed (which are the sole responsibility of the local governments and the provincial Government), before the Federal Government comes into the picture. The result is that even though we are very grateful for the contribution made by the Federal Government, it does not alter the fact that in paying 75 per cent of the social aid cost, leaving 25 per cent for the municipalities, the Provincial Government is making a much larger contribution than any other people.

I want to mention mothers' allowances, also; because there has been one or two matters raised in that connection. For instance, one speaker on the other side (I have forgotten who it was) questioned the fact that in the estimates this year, the amount provided for Mothers' allowance is less than that provided last year. The amount provided this year is \$1,516,000. The reason for that is not because we expect a lower case load, but because there was an over-estimate made last year, and when an over-estimate is made by a department, it does not seem sensible to perpetuate the over-estimate, particularly in view of the very important fact that mothers' allowance program is stated as one that will be carried out by this Government regardless of the size of the case load. If it should happen that we under-estimate this year, then obviously the Government will continue the service and find the necessary funds in a supplementary allowance.

Another thing I want to mention about mothers' allowance because we have been compared with other programs, is that I don't think

there is any program in Canada where mothers would come under mothers' allowance, as in Saskatchewan, because the eligibility requirements are much more generous here than they are in any other province that I know of. Last year, as I pointed out when we were dealing with this matter one other time, we had 2,522 families on mothers' allowance. Of those, nearly 7,000 were children. The result is we had approximately 10,000 people on mothers' allowance in this province. No other province has a caseload of this kind as large as that. I think it is safe to say, in fact I have no hesitation in saying, that our provisions for mothers' allowance, when everything is taken into consideration, are as generous as in any province in Canada, taking the scope of the program and the amounts made available.

I want to point out (and it is important) that in all these public assistance categories, every one of them, if in the mothers' allowance cases (we can take in the others also) the allowance is not sufficient to provide the needs of that family, the person affected can go to the municipality of residence, and can apply for social aid over and above the mothers' allowance, or whatever other allowance they might be getting; and if the municipality grants social aid, then the Provincial Government pays 75 per cent of that also, on top of what they pay for mothers' allowance. So there is very generous provision made for them to get any extra care, and that is entirely at Provincial Government expense. The Federal Government doesn't share in any part of the mothers' allowance program through its Unemployment Assistance Act.

Supplemental allowances are also matters that are given consideration in this House, and again I would like to go into history just a moment if I may. We hear criticisms from the official Opposition principally, because the other strange little group in the far corner were not with us at that time, and they were not much more numerous than they are at the present time. In fact, for a long time we had not heard of them. But I would like to go back to 1943, when the Liberal Government of that day, Mr. Speaker, approved a supplemental allowance, or, as they called it then, the 'cost-of-living bonus' for old age and blind pensioners. There was no old-age security then; it was old-age pensions which were shared between the Provincial and Federal Governments, the Federal paying 75 per cent and the Provincial 25 per cent of the cost. This cost-of-living bonus, or supplemental allowance, approved by the Liberal Government of 1943 was \$1.25 a month. I think you all well remember the pension at that time was \$20 a month — \$15 from the Federal Government and \$5 from the Provincial Government. Now, the allowable income at that time was also \$1 a day, or \$365 a year — a very small allowable income. Now, that happened in July, 1943. In September of the same year, two months later, the Federal Government increased the pension from \$20 to \$25 a month; in other words, it was prepared to pay 75 per cent of a \$25-a-month pension, if the Province would do so. Consequently, any pensioners whose income allowable — it was not raised at that time; it was still \$1 a day; but any pensioner who could come within the eligibility requirements by not having more than \$1 a day income, that is including his pension, did get the benefit of the \$1.25 supplemental allowance. Others did not.

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I would like to make this comparison, also. The total expenditure of the Provincial Government of that day for supplemental allowance for this group that I speak of, was \$44,300. I would like that figure to stick in your minds, because I am going to compare it with some other figures a little later on. April 1, 1944, the maximum allowance income was raised from \$365 to \$425 per year. Because of the increase in the allowable income, all pensioners in Saskatchewan started to receive the benefit of the \$5 increase, naturally. Hence, there was no supplemental allowance in effect from April 1944 until May 1, 1945, when this Government approved a supplemental allowance of \$3 per month for all old age and blind pensioners. I think this is history that should be remembered when people are making comparisons and offering criticism.

The expenditure for 1945-46 for this purpose was \$508,000 as in contrast to the \$44,300 of the Liberal Government of a year or two earlier. Then the following year this Government paid out in supplemental allowance \$514,000. Again, on April 1, 1947, this Government authorized an increase in the supplemental allowance of another \$2, making a total of \$5 supplemental allowance for old-age pensioners and blind pensioners at that time. Along about that time, of course, there were increasing pressures being brought to bear on the Federal Government, and they finally did agree to go to \$30 for a pension; that is, they would pay 75 per cent of an old-age pension up to \$30, and they increased the allowable income from \$425 to \$600 for a single person, and from \$850 to \$1,080 for married persons. Then again, another few years later in 1949 – I remember I was in the House of Commons at the time – they finally went up to the \$40-figure, and this Government continued at that time to make its contribution, and also to pay a supplemental allowance which together meant that we were paying from this Treasury here, 25 per cent, which was the agreed amount of a \$50-a-month pension, but the Federal Government had not followed along and the consequence is that it has never got yet to the \$50-a-month figure, although it is getting a little closer, which I will mention in a few moments, if I have time.

Our supplemental allowance estimates for this year, as contrasted with the \$44,300 in 1943-44, is for an expenditure of \$1,146,750 for supplemental allowance. Again I remind everybody that those on supplemental allowance, if they require more than that will provide for, they have available and have the right to apply for social aid, and if it is granted by the municipality of residence, the Provincial Government from its own treasury and without help from anyone else, will pay 75 per cent of the cost.

I would like to deal with the three categories that are shared with the Federal Government; that is, blind persons' allowance, disabled persons' allowance, and old-age assistance. Old-age assistance is that shared pension between the Provincial and Federal Governments for persons between the ages of 65 and 69, who can pass a means test. The sharing of the program is 50-50. The Federal Government will share half the pension up to a maximum of a \$40 pension; in other words, they will go to \$20. The same thing applies in the disabled persons' allowance; and in the blind persons' allowance, of course, the old sharing holds good – Federal Government 75 per cent and the Provincial Government 25 per cent.

In these programs, the Provincial Government, of course, has to abide by the means test as set by the Federal Government, who are paying, as I say, 50 per cent of the cost, and who now announced in the budget recently brought down the Federal Minister, Mr. Harris, in the House of Commons last Thursday night, that they are prepared to increase this to \$46. I notice a tendency on the part of people in the country to believe that the Federal Government has offered to pay another \$6 for old-age assistance people, for disabled persons on allowance, and for blind persons. That is not so. It is still a 50-50 proposition, and when the Federal Government said it is prepared to increase the amount to \$46, what they are actually saying, Mr. Speaker, is that they are prepared to pay another \$3 if this Government will pay another \$3 with them. I want, without any hesitation, to assure my listeners that this Government is going to agree to that, and I have a wire from the Hon. Paul Martin, Minister of National Health and Welfare, advising that he is sending the text of an agreement out, and when it is received the Government will consider it. But I have authority to state that if it is (as we assume it is from the newspaper's report) that the Federal Government is prepared to go 50-50 on a \$46 old-age assistance, or disabled persons' allowance, or blind persons' allowance, then this Government is prepared to go along with that.

As it is now, this is going to mean an increase of \$250,000 or perhaps \$300,000; it is impossible to know. I have the staff now computing and getting ready to advise the Government what the increase is going to amount to; but leaving that increase aside, as it is at the present time, without any change, you will notice in the Estimates for old-age assistance, an amount that this Government will pay of \$1,260,000 for our share of the old-age assistance, \$260,000 of our share of the disabled persons' allowance, and also a similar amount, not as large an amount, but our share in so far as blind pensioners are concerned. Because there are a smaller number of people ours will likely be in the neighbourhood of \$50,000. Those amounts I mentioned do not take into consideration the estimates that will be contained in the estimates of my friend, the Hon. Minister of Public Health, for the medical care and hospital services that are provided solely by this Government for these people.

I would like now to deal with some other aspects of our care of elderly people, and of people who are in trouble. This Government recognized, when it first came into power, that there was a tremendous housing problem in this program, as there was all over Canada. One of the first things that was done was to set up emergency housing projects in a number of things that was done was to set up emergency housing projects in a number of places, in order to provide housing primarily for returning veterans, so that those who were going to continue with their education would have a low-cost place to live in while they were continuing their studies. Then there were others who were provided for, those who may not have been continuing their studies, but did not have accommodation to live in, and there was emergency housing for them, in order to give them time to find housing for themselves of a more permanent nature. This has been a tremendous amount of benefit during the last 12 or 13 years for a great many people, and has relieved the

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municipalities in which these emergency housing projects existed from a tremendous load of responsibility, which they would have had to carry if the Provincial Government had not been on the job. We anticipate these will disappear as the emergency lessons or become non-existent.

There are other things, too; in the care of elderly people. It was recognized that pensions are not the whole story. Medical care is not the whole story. Hospital care and other services are not the whole story. They have to have a roof; they have to have a place where they can be cared for in the event they are not able to care for themselves, and many were living it, and still some are living in, very unfortunate circumstances. One of the first things the Government did was to take over the operation at Wolseley, which at that time accommodated a small number of people, and also an equally small estimate was made available for them. As a matter of fact, in the year 1944-45 – that was the last year the Liberal

Government drew up estimates for before finally they went out into oblivion in this program – they had an estimate of \$20,000 as their net expenditure for the home at Wolseley. This Government took on that one, and proceeded to open another home in a hut located on the Exhibition Grounds, then a similar one for elderly folk called ‘nursing Home’ at Saskatoon, on the grounds of the Community Apartments, and then a new one was built at Melfort. These four combined have a total capacity of 440 people, and they are full all the time. Then a new home is being built in Regina, which will be completed very soon, and will make provision for an additional 118 people. When I say 118 people, that means additional to the 440. The one at Regina will not only do that, it will provide a wing for the veterans who are presently housed at Government House. Under a deal with the Federal Government, there will be 50 beds and a wing provided for those people in Government House in the new nursing home, and another 50 beds and a wing will be allocated to the Department of Public Health for patients who are bedridden and require restoration services, so that they can be taken from the nursing home into what has been the Industrial School for Boys, which is rapidly being converted into a restoration centre. You will note the Minister of Public Works will have an estimate for work to be done there, to make it completely a restoration centre, and the boys will be moved out to other accommodation.

This is one way this Government has tackled the job of looking after elderly people who require some housing. The Government does more than that, though. There are a number of other privately-operated nursing homes that are commercial ventures, and the result is that we have no actual control except to licence and inspect, and in those we try to see that a reasonably high standard is kept, so that the patients who go in there have good accommodation. There are a number of nursing homes operated on a non-commercial basis, which are purely charitable, and are operated by private organizations, such as religious and charitable organizations and groups. When they operate on a non-profit basis (this kind I am mentioning), the Government makes a very generous provision this way. If they wish to reconstruct an old building, or they construct a new building for this purpose, this Government makes an outright grant of 20 per cent of the capital cost, and also, on top of that,

makes an operating grant every year to assist in the actual operation of these non-profit nursing homes. There is more than that, however. There are the ambulatory aged who do not require nursing home care, but do require better type of accommodation than they have, generally speaking, and I think that the House is interested in knowing what is being done in that field.

My colleague and predecessor in this office was extremely interested in this, and being the Minister in charge, and being a great humanitarian, and also a very persistent gentleman, he conceived the idea that there could be a great co-operative effort in this province to provide housing for elderly people who are able to move around, who like to live in their own quarters, if married to have their own self-contained set-up, but who could not afford to do it and pay the rents charged by our free-enterprise landlords at the present time; and also a number of single people who do not have the kind of accommodation they ought to have, and they don't need to be in a nursing home. He thought it was possible to have a co-operative effort of groups of people who would be interested, and that they, working through this Government and Central Mortgage and Housing Corporation, would be able to provide homes for these people: self-contained units for married folks, and hostel type for single people. So he prevailed on Central Mortgage and Housing Corporation to make loans available under the National Housing Act for this purpose. I haven't time to go into all the details, but would like to mention that now there are completed (or so near completion that they soon will be in that state and accepting people) 11 of the hostel type and seven of the self-contained type presently in operation, and they, when they have taken and admitted all they have room for, will provide room for 993 people. There are again – those have been approved recently; the Order-in-Council was passed on the 24th of January in Ottawa, to approve the loans to 12 others that are under construction at the present time; 10 will be a combination of self-contained units, and two will be a self-contained unit only, and they will provide for another large number. So, at the moment, we have 800 people now in these accommodations, and we expect at this time next year there will be at least 800 more, if not 2,000 people housed in places like this.

I would recommend to my friends that they go and visit Jubilee Heights, or Jubilee Residence in Saskatoon, or Pioneer Village here in Regina, or at Kindersley, where they have a hostel for single people, or at St. Anne's in Prince Albert, or Zenon Park, or Radville, or any of these places, and Weyburn, and they will see the type of accommodation that this Government has helped to make available.

Again, this Government helps in the financing. Central Housing and Mortgage Corporation, in an approved project, will loan 72 per cent of the lending value of the project, according to their formula. This Government makes an outright grant (and it does not have to be paid back) of 20 per cent of the proven capital cost. The balance, usually amounting to 8 or 10 per cent, is provided by the local housing authority. The local housing authority might be a group of municipalities similar to a Union

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Hospital district who have joined together, become shareholders in it, set up the authority and run it. It may be a city like the city of Regina, in Pioneer Village; it might be like the Master Masons' Association, or the teachers in Saskatoon, who have provided jubilee Residence in the one case, and Jubilee Heights in the other case. It might be a religious organization such as that at Radville, or Zenon Park, or at Prince Albert, I believe. Anyway, that is the situation. This Government makes a very substantial contribution towards those, and on top of that also provides for a grant for operating cost.

Mr. Speaker, I think in the course of my address to the House Friday and today, I have given everybody good reason to believe that I think the Government in its allocation of funds, has done very well in providing the necessary funds for the Department of Social Welfare to discharge its responsibilities, and I assure you, I am going to support the motion.

Mr. Danielson (Arm River): — Mr. Speaker, may I ask a question? When you spoke about the aid for municipalities, you used the word 'collective'. Did you mean that includes both rural and urban municipalities?

Hon. Mr. Bentley: — Yes, all municipalities concerned.

Hon. J. T. Douglas (Minister of Highways): — Mr. Speaker, in rising to take part in this debate I want to join with the other members who have extended to you their congratulations. However, I shall not depress your feelings by promising you that I will be a good boy for the rest of the proceedings, because I notice that those who have done so have usually been the worst transgressors during this debate.

I would also like to extend my congratulations to the Provincial Treasurer. he certainly made a very good job of this speech, because I have noticed that the Opposition have almost repented the entire speech since that time, and some of it. I think, is on the records about three times. So it must have been a very good speech indeed, and I can assure you that those on this side of the House are well pleased with the excellent job that has been done.

Mr. Lopton (Saltcoats): — There's nothing in it to talk about.

Hon. Mr. Douglas: — Just the same as the hon. member's head!

Now, Mr. Speaker, I don't want to prolong this debate on the budget today, but as I listened to the rather clumsy attempts that have been made by the Opposition to try to fasten on this Government the ills that beset the agricultural economy, I am going to take a few minutes to discuss at least one problem that affects the western part of this province in which my constituency is located. I feel that it is my duty to bring that situation

to the attention of this Assembly, as I believe up to the present time it has not been mentioned, except very casually. I am referring to the surplus of wheat that is accumulating on the farms of Saskatchewan, a surplus that has been accumulating since 1952, and has not assumed proportions on many farms where it is beyond the financial ability of those farmers to carry the cost.

I want to remind this House that, in the production of that wheat, the farmer was compelled to go the cost of preparing the soil, the seeding and the harvesting and the spraying and all the other costs that go into the production of wheat; and up to the present time he has been unable to deliver anything like an amount that would pay for the operating costs of producing that grain. There is also the matter of storing that grain, paying interest on money which may have been borrowed in lieu of these excesses and the cost of providing extra storage. There is also the risk incurred from mites and other factors that can lead to deterioration of these grains. I remember being on one farm last June. That farmer had some 10,000 bushels of grain piled on the ground. He discovered mites in some of his granaries and it was made necessary for him to turn over all of this grain, treat it and disinfect the granaries so as to get rid of this pest.

Those are some of the difficulties that have affected the farmers, and I notice that the Opposition, of course, in their attempts to blame this Government for the ills of the farmers, are doing so because they know that, in the coming Federal election, they are going to be called upon to answer for the reasons why this grain is not being disposed of. The answer to that is one of marketing – one for which the Federal Government must assume full responsibility.

Mr. Loptson: — Why don't you take it? You've got your responsibility, too.

Hon. Mr. Douglas: — Yes, I know the Liberals would like us to take the hot potato out of their hands, but under the regulations of this. . . .

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

Hon. Mr. Douglas: — . . . country, the Department of Trade and Commerce is responsible for trade, and not the provincial governments.

I know that the Liberals would very much like to be able to throw the responsibility of the failure of the Federal people to dispose of that wheat on to the shoulders of this Government. Well, we are not taking it. But I do want, today, to show you that even after the Federal people had made a mess of the marketing of this grain, and after our farmers had gone to them with very reasonable requests – for instance, for interest-free loans on some of the grain which they had to store, accelerated depreciation on the extra storage facilities they had to have – in not a single case did they get relief from the Federal Government. They have been called upon to

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meet those extra expenses and do so out of a measly five-bushel quota which was given in many parts of the province last year.

Mr. Loptson: — Well, you can have the handling of the Board.

Hon. Mr. Douglas: — I notice that the member for Gravelbourg (Mr. Coderre) said that we could thank the farmers and the good Lord for the surplus. Well, we can thank the farmers and the good Lord for the excellent crops that have been raised; but, Mr. Speaker, we can thank Mr. Gardiner and Mr. Howe for the surplus of grain that is accumulated on the farms of Saskatchewan today. The only policy that Mr. Gardiner and Mr. Howe have been able to offer as a solution was to pray long and hard for another drought. That is the only thing they have been able to offer. Well, I want to remind this House that in 1954 I placed on the records of this Assembly the CCF policy on the marketing of grain. . . .

Mr. Korchinski (Redberry): — What is it?

Hon. Mr. Douglas: — At that time the Liberals opposite and the Liberal press stated that our suggestions were fantastic, they were not workable. Well, they may have been fantastic but I want to remind you that our neighbour to the south of us put those suggestions into operation. . . .

Mr. Loptson: — And got into a mess.

Hon. Mr. Douglas: — . . .with the result that with much poorer wheat than we have, they have gone out and they have captured the markets of the world. They have relegated us from a good first position in the marketing of exported wheat to that of a poor second, and the Opposition know it. The Opposition know it, and that is why they have been making these clumsy attempts to try to divert the farmers' attention from this very potent question, one which they have been unable to cope with.

Mr. Korchinski: — What is your suggestion?

Hon. Mr. Douglas: — Well, Mr. Speaker, if you will go back to my suggestions in 1954 – I haven't time to give them again today; but you can find those suggestions.

Mr. Loptson: — You were going to give it away.

Hon. Mr. Douglas: — The hon. member wouldn't understand.

Mr. Korchinski: — You had no suggestion. You were just talking.

Mr. Loptson: — You were just going to give it away. That is the only suggestion you had.

Mr. Speaker: — Order!

Hon. Mr. Douglas: — Now, Mr. Speaker, I want to point out that the farmer is still the ‘forgotten man’ as far as the Liberal party is concerned.

Just the other day you may have noticed this article in the ‘Leader-Post’ of March 6th. It is headed:

“The Prairie Farmer to bear the export flour price cut.”

and then it goes on to quote:

“Trade Minister Howe clearly indicated Thursday that the prairie wheat producers, through the Canadian Wheat Board, will bear the cost of the recently announced plan to cut the price of flour exported to certain markets.”

Again the farmer pays the shot in order that the miller may make his profit. Here you have the situation where the price of wheat is going down, but we have seen in recent months that the price of bread to the consumer has gone up. It is the same old story, Mr. Speaker: the farmer takes the cut in order to protect ‘big business’.

Let us look at how our friends, these free enterprisers, so-called, from across the way treat big business.

Mr. Loptson: — You’re against free enterprise then, eh?

Hon. Mr. Douglas: — If you were a speculator on the Winnipeg Grain Exchange and you speculated in flax and rye you need not have spent a single dollar or spent a single hour in the production of grain, but you may be able to read some very handsome profits, and some of them did; and you will find that that profit is not taxable under income tax laws. It’s considered capital gain.

Mr. Loptson: — How about the losses we took?

Hon. Mr. Douglas: — But the farmers who must go to the expense of raising this grain, if he is fortunate enough to be in the income tax group, every single dollar which he received is taken into consideration.

Just the other day, of course, we had another very good example of how our friends look after big business. We have a company composed largely of American capital, with a Canadian figurehead no doubt. When they were promoting this company – the Trans-Canada Pipeline Company – through the speculative period, we had our Federal Government using the taxpayers’ money to guarantee the expense of that company; but once that company was in a position to put their stocks on the market what do we find?

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Well, we find that Mr. Tanner, who was at one time a Cabinet Minister in the Alberta Government, had reserved for himself the option to purchase 60,000 share of the capital stock of that company at \$8 per share. Now this morning I checked. . . .

Mr. Loptson: — What about the Cement Company?

Hon. Mr. Douglas: —This morning I checked with one of the local firms in town as to the value of those shares. At that time they were quoted on the market at \$26.25. Now if Mr. Tanner wishes to take up that option today, and having bought those shares at \$8 per share he could dispose of them at \$1,095,000 – no, I am wrong; he would make a profit of \$1,095,000.

Mr. Loptson: — That’s not as much as the fellows in the cement plant.

Hon. Mr. Douglas: — Pretty easy pickings, isn’t it? And don’t forget that the people who will use the gas in this country are the people who are going to pay for that profit.

I know that the CCF have been accused as being the ones who are doing all the criticizing of this pipeline transaction, but here is the last issue of ‘Time’, and certainly you cannot accuse ‘Time’ of being a Socialist paper. In my opinion they never miss an opportunity to knock the CCF. But ‘Time’ saw fit to quote from the ‘Toronto Telegram’, and, by the way, the ‘Toronto Telegram’ is no friend of ours; but I want to take the time to read this, Mr. Speaker:

“The scandal of the vast personal profits accruing to senior officers of the Trans-Canada Pipe Line Limited has deeply shocked the Canadian public. No one objects to Canadians such as Mr. Tanner or Mr. Coates making an honest dollar in the gas and oil business in this country; but there is a sharp flavour of political sin in a situation in which these men stand to make a million dollars or so in a deal made possible only by the help given to the company by Canadian taxpayers.

“The top officials had substantial blocks of stock set aside for themselves at a special price of \$8; the bidding for the stock was \$24, so that Mr. Tanner’s 65,000 shares had risen in value by \$16. . . .

“From the record it appears that Mrs. Tanner is also a substantial owner of Trans-Canada Pipe Lines shares, obtained at special low prices. Mr. Coates, who bought 50,000 shares at \$8, indicates a profit of \$800,000. Everyone loves a Canadian success story, but this one smells.”

Mr. Speaker, so does the Liberal handling of our Canadian wheat. It smells. And again I want to repeat that the farmers of this country are the ones who have had to suffer because of the bungling of those people in the handling of that produce.

Now, Mr. Speaker, I want to turn for a little while to my own Department, and before I give a resume of the work that we propose for this year I would like to take a quick run down of what has been accomplished and which caused the Department a lot of difficulty and a great deal of expense, yet in that time we did prove that we could keep the greater part of the highway system of this province open, even under those difficult conditions. Commencing last spring, work was a little late starting due to two main reasons. One was because of the number of projects which had been carried over from 1955, because of an early winter in that year. You will recall that we had snowfall in that year in October, and again in the spring of the year conditions were such that it did retard the commencement of construction operations in the province. Nevertheless we were able to accomplish a very good summer's work. We constructed some 532 miles of grading which consisted of some $12\frac{3}{4}$ million cubic yards of earth. That is a lot of dirt to move in one season. However, we had a number of projects and there were some that were not completed, but not very many. One example would be No. 3 Highway in the northern part of the province. There the four contracts let for work on that project were not completed, largely due to the fact that we ran into very bad weather and very pool soil conditions. However, with anything like a favourable season in 1957 those projects will be completed this year.

In addition to that we were able to complete gaps in our highway system, last summer, that are going to make a very marked contribution to the integrating of our present system of all-weather roads. The first one is No. 2 Highway from Penzance up to the junction of No. 15; No. 3 Highway from Birch Hills to Kinistino; No. 20 Highway from Fairyland Hall to junction of Nov. 40; No. 44 Highway from Eyre to Alsask, and No. 55 Highway from Belbutte to junction with No. 4. These are all sections of highways which complete quite an area of all-weather road, and are some of the more important ones which were completed last year.

Last years also, we were able to make very good progress on other work, particularly in oiling, when we completed some 200 miles of oiling. In our asphalt operations, we were not quite so successful. Every project which we had under way last year in asphalt work was plagued throughout almost the entire summer with showery weather, and as you know, Mr. Speaker, you cannot successfully lay asphalt or base course when the weather is wet or cold. As a result of showery weather and an early shutdown of work we did not complete as much on base course or asphalt work as we had hoped. I might also point out that last year most of our asphalt work was programmed on the Trans-Canada Highway. There we had hoped to complete

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that road with the exception of the surfacing of the 4 ½ miles of the Regina by-pass, but, because of the weather, we were unable to make the progress we had hoped for, but we did make very good progress and as a result we will be able, this year (that is in 1957) to complete that road in good time and we hope to be the first province in Canada to complete its section of the Trans-Canada Highway.

That project is bringing a great deal of credit and a lot of favourable commendation from the travelling public. The work that has been done and the work that has been completed – I have the figures here: and as I have said, with a favourable year this year, we will be able to complete its construction. That project has shown very clearly that it is not only possible, but it is feasible and desirable, that we should have a permanent Federal policy of aid to the Provinces for highway construction.

As the hon. members know, we had the opportunity on Friday of discussing this matter with the Federal Minister of Public Works, and while the press stated that the Ministers from Alberta and Manitoba were in that conference they failed to state that the province of Saskatchewan, where it was held, had also participated in the conference. However, I Canadian assure you I was there and I placed before that conference the views of this province; and, as stated in the press, of course all we could do was to discuss the matter and place our viewpoints before the Federal Government. I can assure you, Mr. Speaker, that as the days go on we will continue to press for a permanent scheme of Federal assistance for highways.

During the past year the Bridge Branch constructed some 102 bridges in rural municipalities, including six steel bridges, and we repaired 31. On the provincial highway system we constructed some 42 and repaired 23. The major structures completed last year were the one over Wascana Creek by the Regina by-pass, the Walsh bridge on the Trans-Canada, and some modifications to the Belle Plaine Overhead. We commenced the construction of a bridge over the Red Deer on No. 9 Highway at Hudson Bay, and the Moose Jaw overpass over the C.N.R. on the Trans-Canada. It is also interesting to note that the complete length of bridges completed last year represent more than one mile in length. So, despite the rather late start we had last year, I Canadian say that we had a very successful season in 1956.

There has been steady and consistent acceleration in work

accomplished by the Highway Department since 1944, and that goes not only for the construction and maintenance work that has been carried on by the Department, but it also accounts for the recruitment of personnel, the modernization of equipment and the general up-building of the entire Department. In 1944 we took over what was one of the weakest highway departments in the whole of Canada. Today it is considered one of the best. Someone laughs over there – I want to tell him that is correct. They don't have to take my word for it. You can go to any of the large highway gatherings in this country and you will find that the Highway Department of Saskatchewan has, today, that reputation. No other Highway Department in Canada can boast of better equipment than we have in Saskatchewan. We have built up not only the Maintenance Branch, we have also built up equipment in the Construction Branch as well. I want to say that despite the slurs that have been cast upon the civil servants by people opposite – and I am sorry to say are in the country also did the same thing; I want to state that I am most proud of the young men who head the various branches of my Department, and that is not only true of those who head the branches, it is also true of those who have, through necessity, to do supervisory work for them. We have an exceptionally fine group of young men in this Department, and I want to say they are not only capable and industrious, but they are trustworthy as well.

I might also say, Mr. Speaker, that because of their outstanding ability these young men have brought credit not only to the province but to our own university from which most of them have graduated.

The other day, the member for Maple Creek (Mr. Cameron) deplored the fact that we had done nothing for our young people of the province. Well I want to say that my Department gives a very good example of the difference between Liberal policies and those of the CCF. In 1944 when we took office, I believe there were two graduates from the University of Saskatchewan on the staff of the Highway Department. I know there was one, and I am not sure if there was a second; but I will give them the benefit of the doubt and say there were two. Today, what do we find? We find that we have on our staff something over 40 graduates, and some 12 who will have two or more years at the University. That is the difference between the policy being followed by this Government and that by the Liberals.

Mr. Gardiner (Melville): — You are comparing with war years.

Mr. Korchinski (Redberry): — They were all at war.

Hon. Mr. Douglas: — Well that was one of your best years. You can go back over the records and I have them down here and you will not find anything any different. As a matter of fact, the difficulty at that time was that they paid too much attention to people who did their political work rather than their highway work.

I find that my time is going on and I do want to give a

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run-down of the program for this year. As I told you a moment ago, the work on the Trans-Canada Highway is today either completed or under contract, and we hope to complete that during this summer.

No. 2 Highway from Ardill to Con's Corner, we propose to grade and gravel. From Tuxford to junction of No. 11 Highway, we will complete the surfacing of that road this year. From north of Bremen Corner to south of junction of No. 5 Highway, completion of surfacing. I might say that when that surfacing is complete we will have a continuous blacktop road from the city of Saskatoon to the city of Prince Albert.

On No. 3 Highway, from Prairie River to Hudson Bay and from Hudson Bay to Erwood, completion of grading and gravelling; Eldred to Big River, grade and gravel; south of Cowan River Bridge to Green Lake, completion of grading and gravelling; Meadow Lake to Goodsoil, completion of grading and gravelling.

No. 4 Highway, Cadillac to junction No. 43 Highway, grade and gravel; junction No. 32 Highway to Saskatchewan Landing Bridge, oil treatment; Biggar to Cando, grade and gravel.

No. 5 Highway, Hopkin's Corner to No. 2 Highway, completion of surfacing; Maymont to North Battleford, base course and surface; Battleford north-west, grade and gravel; Battleford to Bressaylor, oil treatment.

No. 6 Highway, Ceylon south to the international border, oil treatment; from the correction line at Regina to the junction of No. 1 Highway, surfacing; Dafoe north, completion of grading and gravelling.

No. 8 Highway, Fairlight to Moosomin, grade and gravel.

No. 9 Highway, Canora to Assiniboine River Bridge, completion of grading and gravelling; Hudson Bay to Etonomi corner south, grade and gravel.

No. 10 Highway, Wroxton to Manitoba boundary, completion of grading and gravelling; Fort Qu'Appelle to Duff, base course and surface.

No. 11 Highway, Saskatoon north, base course and surface.

No. 13 Highway, Stoughton to Weyburn, grade and gravel.

No. 14 Highway, Dafoe to Lanigan, grade and gravel; Plunkett to junction No. 2 Highway, grade and gravel.

No. 15 Highway, Raymore to Leross and Leross by-pass on No. 35, grade and gravel.

No. 16 Highway, Kennedy to Kipling, completion of grading and gravelling; Kendal to west of Vibank, grade and gravel.

No. 19 Highway, Elbow to Strongfield, grade and gravel.

No. 21 Highway, Liebenthal north and south, grade and gravel.

No. 22 Highway, Cupar to Southey, grade and gravel.

No. 26 Highway, junction No. 4 to Meota, completion of grading and gravelling.

No. 31 Highway, south of Plenty to Dodsland, grade and gravel.

No. 32 Highway, junction No. 4 to Pennant, grade and gravel.

No. 33 Highway, Kronau to Richardson, grade and gravel.

No. 35 Highway, Wadena to junction of No. 49, grade and gravel; Nipawin to White Fox, grade and gravel.

No. 37 Highway, Gull Lake south, grade and gravel.

No. 39 Highway, Estevan to Halbrite base course and surface.

No. 40 Highway, Richard to North Battleford, grade and gravel.

No. 42 Highway, Keeler to Eyebrow, grade and gravel.

No. 47 Highway, International Boundary north, grade and gravel.

No. 49 Highway, Kelvington to No. 35 Highway, grade and gravel.

No. 51 Highway, Springwater to Kerrobert, grade and gravel.

No. 55 Highway, junction No. 2 to Snowden, grade and gravel.

No. 56 Highway, junction No. 10 to Katepwa, oil treatment.

This represents some 532 miles of grading, 585 miles of gravel under maintenance which I have not announced, making a total of 1,448 miles of gravel, 156 miles of base course, 212 miles of bituminous surfacing, 84½ miles of oil, and 81½ miles of seal coat.

At this time I should also announce to the Legislature the number of miles of new road which we intend to add to the provincial highway system during the present year. They are as follows:

Lake Alma to Minton, which will be designated as part of No. 18 Highway.

U.S. border at East Poplar to the junction of No. 2 Highway, and will be designated at Highway No. 36.

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From Crooked River to Carrot River, which will become part of No. 23 Highway.

Spiritwood to Leoville will become part of No. 24 Highway – no, it will be a new highway – No. 24.

Big River to Meadow Lake will become part of No. 3.

From the west junction of No. 4 at Meadow Lake to the Alberta border will also become part of No. 3.

Hudson Bay to Prairie River and Hudson Bay to Erwood will also become part of No. 3 Highway.

The junction of No. 26 Highway to Frenchman Butte will become No. 55 Highway.

Montreal River to the fish filleting plant at La Ronge will become part of No. 2 Highway.

From Chelan to Greenwater Lake will become No. 38 Highway.

No. 49 Highway north at a location to be decided this summer, will become part of No. 8 Highway.

This addition to the provincial highway system means that there has been lifted from the shoulders of the rural municipalities another 428 miles of road for which the province will assume full responsibility and which will be added to our already extensive highway system.

This year, in addition to announcing the program of construction work which we intend to carry on, I am also going to announce to the Legislature the program of preliminary surveys which we decided to carry out this year, amounting to some 1,198 miles. I have two reasons for doing this, Mr. Speaker. One is that I want to give the Legislature some idea of some of the work which is being done in over-all planning, and also the fact is that, from the information which we will receive from this survey, it will likely determine some of the projects which will be incorporated in the 1958 program of work. These projects are:

No. 3 Highway from Shellbrook to Eldred and from Pierceland to the Alberta boundary;

No. 6 Highway south of Watson to Lacvert.

No. 8 Highway, Elmore to north of Carievale, Redvers to Fairlight and No. 49 Highway north;

No. 9 Highway from Kennedy to Stockholm and junction 15 Highway to Yorkton;

No. 11 Highway, Rosthern to Duck Lake and MacDowall to No. 2 Highway;

No. 13 Highway, Weyburn to the junction of No. 6 Highway, and Verwood to Assiniboia and Melaval to Kincaid;

No. 14 Highway, No. 2 Highway to Clavet, junction No. 11 to Saskatoon, and Saskatoon to junction of No. 7 Highway; junction of No. 51 Highway to Wilkie, and from Unity west to the Alberta border.

No. 15 Highway, from the junction of No. 10 to Leross and Outlook to Milden;

No. 16 Highway, Kipling to Kendal;

No. 18 Highway, Estevan to Torquay and Lake Alma to Minton;

No. 19 Highway, Grainland to Elbow;

No. 20 Highway, Lumsden to the junction of No. 22 Highway;

No. 21 Highway, Cypress to Maple Creek;

No. 27 Highway, No. 2 Highway to the junction of No. 5;

No. 30 Highway, North of Kindersley to Kerrobert;

No. 31 Highway, Dodsland to No. 30 Highway;

No. 32 Highway, Pennant to Shackelton;

No. 33 Highway, Stoughton to Fillmore and Richardson to Regina;

No. 35 Highway, U.S. boundary to Tribune;

No. 36 Highway, Crane Valley to Galilee;

No. 37 Highway, U.S. boundary north;

No. 38 Highway, from No. 23 Highway to Greenwater Lake;

No. 39 Highway, North Portal to Estevan and Corinne to junction of No. 1 Highway;

No. 42 Highway, Eyebrow to No. 19 Highway;

No. 43 Highway, Mazenod to Gravelbourg;

No. 47 Highway, Qu'Appelle to Melville;

No. 49 Highway, Manitoba Boundary to Pelly;

No. 51 Highway, junction of No. 31 Highway to Major;

No. 55 Highway, White Fox to Snowden.

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Now, Mr. Speaker, I want to make it clear that it will be impossible, physically impossible and financially impossible, to complete construction of these in 1958, but those are the preliminary surveys we hope to carry on during the present year.

If I can find where I left off I will give the details of the construction program. I would like to point out to this Assembly that throughout the last number of years the traffic over our provincial highway system has consistently been increasing, and this is particularly true as you approach the larger population centres. This points to the fact that we must, in the immediate future, be prepared to spend more money on the provincial highway system than we have been doing in the past, if we are to meet the requirements of the traffic that is gradually building up on our highway system.

I should point out that one of the greatest impediments to an expanding economy can be the lack of proper transportation facilities, and I would also like to point out that the highways of this province and of this continent have now become the most important part of our transportation system, and if we are to neglect our highway system in this province or in any other part of the Dominion, then we are going to impede very materially the progress that has been taking place in the industrialization of this country. One of the difficulties that we are facing in Saskatchewan, over the last few years, is the fact that when the oil development is going on in Saskatchewan, when it commences along a highway that has just been constructed a few years previous, most of these highways in the rural areas were constructed to a Class E standard, and while they are ample to take care of the rural needs of those areas they are not capable of meeting the requirements of the oil industry. It is posing as a very distinct headache to the Department to keep maintenance on those highways complete because of the increased volume of traffic over them. At the same time it is very difficult to authorize the reconstruction of those when we know they have only been constructed a few years previously, while there are still roads in the province that are in need of reconstruction.

So one of the things we must do in this province is to see that we are able to spread our money over as many miles of road as possible: in other words, build more miles more quickly so that more people will be served. We must do that without lowering the alignment of our highway system because the rapid rise in accidents on our highways in this province demonstrates very clearly that one of the things we must not do is sacrifice the alignment. We may, of necessity, be compelled to sacrifice the design to some extent, but alignment we must not slight. I should point out that, in my opinion, we have now reached the stage in this province where it is not necessary for us to sacrifice the alignment, because the extra cost can be greatly taken up with the money that is being saved because of the shortening of our highway system. I know that many more landowners are being rather critical of the Department of Highways because of our policy in the construction of curves and where it has been necessary to angle across farmlands; but if we are to build a highway system such as this province requires,

this has to be done, and if we will take advice from the older provinces and the older states where they all tell us that they would love to have the opportunity we have in Saskatchewan of being able to make these improvements without too much cost for severance or without too much cost for property, then we have nothing left to do but to continue the policy we are now following. Unfortunately for this province and for those who live along our highways, former Governments did not have the courage or the foresight to construct roads where they should be constructed. In fact they didn't have the courage to follow the plan that was laid before them in 1919 by some members of this Department. Just a few years ago I ran across that old plan that was presented to government of that day, and I was struck by the similarity of that plan to what we are now doing, and again I want to repeat that, had the government of that time followed the policy we are now following, a lot of the inconveniences and a lot of the expense which is being incurred could have been saved.

Since we took office in 1944 we have reduced our highway mileage by some 278 1/2 miles. That does not take into consideration any relocation less than one mile in length. This reduction in mileage has saved the province \$5,809,000 in construction costs. In annual maintenance it means a savings of \$102,400 and in annual operating costs of \$509,000 per year. Now that \$5,800,000 saved in construction can build 500 miles of Class E roads, and the maintenance and operating savings would build 53 miles of Class E roads every year, so that gives you a bit of an idea of what could have been saved in this province had former governments had foresight enough to commence the policies that are now being following by this Government.

Hon. Mr. Brockelbank: — If they had done what they were told to do.

Hon. Mr. Douglas: — Yes, they were told; the map was right there in front of them.

Having said that I want to turn for a moment or two to some of the criticisms that have been made by Opposition members in regard to the money that we are allocating to the rural municipalities. I note that they are complaining that not a sufficient amount of the funds of this Department has been allocated to rural municipalities. Well, I have done a little figuring and I find that a fair share of the money which we are receiving from gasoline tax and licences is going to help the municipalities – not directly, but in aid to municipalities. That amounts to over 20 per cent of what we propose to raise from the taxes which I have just mentioned. I noticed that the member for Rosthern (Mr. Elias) criticized us for not spending as much as they do in the province of Alberta. Well if he wants to make a comparison I would point out to him that in this province we have a highway mileage double that of Alberta, and that means that we are lifting from the shoulders of the municipalities and assuming full cost for construction and maintenance of a highway mileage which is double theirs, and that must be added to any money that is used in direct aid to municipalities for road or for bridge construction.

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I should also point out that, since we took office, not only have we placed assistance to municipalities on an equitable basis, but we have increased the amount in grants to municipalities by 675 per cent. We gave them the first real bridge program which this province ever enjoyed, and I noticed that the member for Pelly (Mr. Barrie) I think it was, the other day, said the Liberals had built all the bridges. Well, I want to assure you, Mr. Speaker, that that is not the case. Throughout the years since this province was first formed a number of municipalities have been building their own bridges, and of course the Tories built quite a few bridges to be paid for by this Government, but they did build some of the bridges. The sad part of it is that, if the Liberals assumed full responsibility for bridge construction and repair while they were in office, they left a rather sorry mess behind them, because the records show that there were over 1,200 bridges worn out and dangerous in Saskatchewan when they went out of power in 1944. In addition to that there were a number of locations in which bridges were badly needed and never had been built.

Hon. Mr. Brockelbank: —The bridges weren't as badly worn out as they were.

Hon. Mr. Douglas: — That is right. I am not going to say very much about the grid road because my colleague has already done that, but I want to remind the member for Kamsack who stated the other day that the municipalities in his constituency could not benefit from this proposed grid system, that I recall back in 1953 (I believe it was), I was invited to attend a meeting of the municipalities of which his constituency is comprised, there were some six of them. I took with me the young gentleman who was then working on the grid road system and after I was through talking to the group, they were most anxious to know what we were going to propose in the way of a grid system for that area, and to my surprise, when the map had been placed on the wall at that meeting which was a well represented one of six municipalities, and when they saw what we were proposing they were exceptionally well pleased; in fact they only suggested one slight change. So I want to assure the member for Pelly, if he is familiar with his constituency, he must know that the proposals that have been made by this Government are being accepted by the municipalities in that area. As you were told the other day, there are now applications coming in, I believe, to cover all of the proposed \$2 ½ million of work this year.

I want to point out that members of the Opposition, both in this House and in the country, with their associate workers and the Liberal press, have been constantly trying to undermine this system, to raise dissatisfaction among the municipalities. It is the same tactic they have been following in trying to keep industry out of this province, but I am glad to say they are having no success in either case. The thing that is worrying them is that they know perfectly well that, up until 1944, they had not brought any industry into Saskatchewan. Even though we had a Liberal government in power in this province they did nothing at that time; we had no industry. The only industry that flourished in Saskatchewan was the lumber

industry in the north that was able, in 40 years, to go out and to deplete that industry, and to leave nothing behind them.

Mr. Loptson: — There are less people in industry now than in 1944 though.

Hon. Mr. Douglas: — Well, Mr. Speaker, I am not going to take up any more time except to make one more reference with regard to their attempt to stop industry from coming into this province. They have been blaming the 'Regina Manifesto' as the main reason why industry has not come here. I want to state that the Liberal party to my knowledge never endorsed the 'Regina Manifesto', so that could not have been the reason we had no industry in Saskatchewan before 1944. Just a few years ago, I had the opportunity to discuss with the vice-president of one of the large organizations in the United States, the conditions in this province, and he was very anxious for information. And after I had talked to him (I sat beside him at a luncheon), and at the end of the luncheon he said to me, "I expect you thought I have been pretty critical. But, he said, "we are interested in your province." I said, "Yes, I expect you are a little afraid of us up here", and he laughed and said "Well, possibly we are." But whether I had any influence on him, or whether it was the other officers of Government, that company that year came into Saskatchewan. They came to Saskatchewan in spite of the stories that had been told by the Liberal party and many of our Liberal speakers. This winter I again had the opportunity of meeting the same gentleman, and I had another discussion with him, and he told me that he and his company are most happy with the relationships that they have been carrying on in this province, both as to their success and to their relationship with the Government.

So, Mr. Speaker, in spite of all that has been said across the way, I want to say that I will be most happy to support the Budget.

Hon. Mr. Brockelbank (Minister of Mineral Resources): — Mr. Speaker, the first item I would like to deal with this afternoon is the question that was raised by the Provincial Treasurer in his Budget address, when he stated that there would be an increase in royalties on oil and natural gas. And I would like to follow my notes pretty closely in regard to this matter.

This increase will be effective April 1, 1957, and I would like to explain the details of this increase to the House. As far as I know, Mr. Speaker, our present royalty is the lowest royalty on this continent applicable to publicly-owned oil and gas. The generally recognized standard royalty on the great majority of public and private lands is one-eighth or 12 ½ per cent of production. This is a flat rate regardless of the rate of production or the quality of the oil produced.

Saskatchewan is one of the few places on the continent where a sliding scale royalty is in effect. I would like to put on the record our

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present oil royalty formula. It is as follows – Mr. Speaker, all members have on their desks a copy of this formula and I would ask the House to take it as read, and to have it included in the records.

Mr. Speaker: — Is the consent of the House given?

Members: — Agreed.

COMPARISON OF ROYALTIES ON OIL PRODUCTION

PRESENT FORMULA

PRODUCTION PER WELL PER MONTH IN BARRELS

ROYALTY PAYABLE PER MONTH

| | |
|---------------------------------------|--------------------|
| 900 barrels or less | 5% of production. |
| Over 900 but not over 1,200 barrels | 6% of production. |
| Over 1,200 but not over 1,500 barrels | 7% of production. |
| Over 1,500 but not over 2,100 barrels | 8% of production. |
| Over 2,100 but not over 2,700 barrels | 9% of production. |
| Over 2,700 but not over 3,300 barrels | 10% of production. |
| Over 3,300 but not over 3,900 barrels | 11% of production. |
| Over 3,900 but not over 4,500 barrels | 12% of production. |
| Over 4,500 but not over 5,100 barrels | 13% of production. |
| Over 5,100 but not over 6,000 barrels | 14% of production. |
| Over 6,000 barrels | 15% of production. |

Hon. Mr. Brockelbank: — This royalty schedule has served very well in the early days of oil production, but few if any people, either in the industry or in the Government expected this extremely low rate of royalty to continue in effect for any long period of time. To continue this royalty would be unfair, very unfair, to the people of this province.

This royalty schedule has one other disadvantage in that it gives an incentive to a producer to manipulate his production to gain a lower royalty rate. You will note from the schedule that a well producing 1,200 barrels in one month will pay a royal of 6 per cent. However, if this well produces 1,201 barrels, the rate is 7 per cent. In the new formula this fault is remedied.

A great deal of study was given to this question of an increased royalty rate. From a purely administrative point of view, the flat standard rate of 12 ½ per cent would have been most desirable. Then, there would be no need to calculate royalty on an individual well basis. This would have simplified accounting procedures and reduced work not only for the Department, but also for the producing companies.

In studying the implications of a flat-rate royalty and in discussing it with the representatives of the industry, we came to the unanimous conclusion that it had two serious defects. First, a flat-rate royalty offended the principle of equity between producers of oil. A very marginal operation would be required to pay the same rate of royalty as the best producing well in the province. The only difference in dollar payments of royalty on a fixed quantity of oil would be the difference due to the value of the oil on the market. No difference would exist because of a difference in the cost of production of a barrel of oil which varies quite widely.

The second defect in a flat royalty rate is that it would seriously offend the best principles and practices of conservation. If a fixed flat-rate royalty is high enough to bring the proper share of oil production revenue to the province, that same rate of royalty would cause wells in fields which produce at very low rates, and stripper wells in fields of previous good production, to shut down prematurely. Such practices could lose for all time large quantities of oil from which neither the producer nor the province would get any revenue.

For these reasons, we decided to stay with the sliding scale basis, maintaining at the bottom of the scale the low rate of five per cent and extending the top rate one per cent higher to 16 per cent. A great deal of work has been done to devise a formula, which will accomplish the desired objectives. Several formulas were produced, and calculations were made on them, before this one was finally approved. This formula which I will present to you now, does accomplish these desired objectives. It is as follows, and again, Mr. Speaker, because the members have the formula on their desks, and due to the fact that it is an awkward document to read, I would ask that it be taken as read, and included in the records.

Mr. Speaker: — Is consent given to include this in the records?

Members: — Agreed.

FORMULA TO GO INTO EFFECT APRIL 1, 1957

**PRODUCTION PER WELL PER MONTH
IN BARRELS**

ROYALTY PAYABLE PER MONTH

600 or less

5% of the number of barrels produced.

601 to 900 inclusive

30 barrels plus 13% of the number of barrels produced in excess of 600.

901 to 1,500 inclusive

69 barrels plus 17% of the number of barrels produced in excess of 900.

1,501 to 4,950 inclusive

171 barrels plus 18% of the number of barrels produced in excess of 1,500.

More than 4,950.

16% of the total number of barrels produced.

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Hon. Mr. Brockelbank: — How does this formula meet the desired objectives? I will deal with three of them. First, it will provide the revenue required by the Budget. Second, it respects the principle of equity very well and will, I believe, distribute the royalty load among the producers as fairly as can be. Consequently, it will cause the industry the minimum of problems which inevitably arise when such action is taken. This formula not only takes into consideration the value per barrel of the oil produced by the percentage factor, but also gives considerable regard to the cost of production. Third, no wells of a low rate of production will be prematurely shut down because of a high royalty rate.

I would like to give you some comparisons of the effective rate of royalty between our present rates and those coming into effect on April 1st, next. I have here a table showing some of those comparisons and as the members also have it on their desks, I would again like the House to take it as read also, and have it placed in the record.

Mr. Speaker: — Is consent given?

Members: — Agreed.

COMPARISON OF EFFECTIVE RATE OF ROYALTY ON OIL PRODUCED AT CERTAIN RATES OF PRODUCTION

| PRODUCING FROM A WELL IN ONE MONTH | EFFECTIVE RATE OF ROYALTY WILL BE: | |
|------------------------------------|------------------------------------|---------------------|
| | Under Present Formula | After April 1, 1957 |
| 600 barrels | 5% | 5% |
| 900 barrels | 5% | 7.7% |
| 1,800 barrels | 8% | 12.5% |
| 2,400 barrels | 9% | 13.875% |
| 3,000 barrels | 10% | 14.7% |
| 3,500 barrels | 11% | 15.171% |
| 4,000 barrels | 12% | 15.525% |
| 4,950 barrels | 13% | 16% |
| 5,500 barrels | 14% | 16% |
| 6,001 barrels | 15% | 16% |

Hon. Mr. Brockelbank: — Mr. Speaker, I would point out that this table shows that for wells producing 20 barrels per day or less there is no change in royalty. A well producing 60 barrels per day, which is a pretty fair well, pays 8 per cent under the present formula and will pay the recognized standard royalty of 12½ per cent after April 1. A well will have to produce at the rate of 165 barrels per day before it will reach the maximum of 16 per cent in the new schedule. Under the present formula such a well would pay 13 per cent.

On natural gas our present royalty is 5 per cent of the

production with a minimum of one-half cent per 1,000 cubic feet. In one jurisdiction the royalty on gas is 15 per cent, with a minimum of three-fourths of one cent per 1,000 cubic feet. This minimum will seldom operate as the price of gas would have to be less than 6¼ cents per 1,000 cubic feet for it to do so.

These increases in royalty rates on oil and gas will mean a substantial increase in revenue to the province. At the same time, I believe, they are the lowest rates we can justify, when considering all circumstances and conditions, and comparing them to other royalty rates in effect. They are still lower on the average, than the generally accepted and used rates over practically all of this continent.

Some may ask why they have not been increased further to fully match the generally going rate. Among a number of answers is one that is extremely practical, and that is the future development of our oil and gas resources. Even these increases will create quite a few problems for the industry, which will require adjustments to be made. To make those adjustments too difficult would not be in the best interests of the program of Saskatchewan.

Now, Mr. Speaker, I would like to go on to some other matters in connection with my Department generally. As all members in the House know, the Department of Mineral Resources was only organized and set up as a separate Department on the 1st April, 1953, so we are just now coming close to our fourth birthday as a Department. Saskatchewan has been a province since 1905, but did not have its resources until the end of 1930. Prior to 1930, the resources were administered by the Federal Government, and in minerals during that period prior to 1930, there was one discovery, and one mine developed, which is on the border between Manitoba and Saskatchewan at Flin Flon. So, looking at this picture, Mr. Speaker, we can say that our province is still very young in mineral development.

When we turn to the oil picture, the situation is the same. The province is very young. As a matter of fact, Canada is very young in the development and production of oil. But in oil, there was a very long dry period when a great many wells were drilled in Western Canada with no encouraging results. With the exception of the very heavy oil in the Lloydminster field, there were no encouraging results from the time of the discovery and development of Turner Valley until 1945. One company drilled 133 wildcat dry holes in succession before the discovery of Leduc. I had the privilege of attending the dinner at Edmonton to celebrate the 10th anniversary of the discovery of Leduc, and I think we should recognize that this discovery was of importance, not just in the province of Alberta but all over western Canada, because, had that discovery not been made at that time, had that field been missed (it very well could have been missed), it is quite probable that the interest in exploration for oil in western Canada

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would have been very low for a number of years. Following that discovery there was an immediate increasing interest in exploration, and within two years of the time of the discovery of Leduc, practically as Saskatchewan land in the sedimentary area, that is all Crown land, was under agreement for exploration.

Turning back again for a moment or two to the pre-Cambrian area of the province, I already stated that Saskatchewan is young in mining. The southern edge of our pre-Cambrian shield is 700 miles farther north than the city of Toronto. Everyone recognizes that James Bay, at the south end of Hudson Bay is getting into the north country. Certainly in Ontario, they think of James Bay as being pretty near the end of things; but after you get to the south end of James Bay, Mr. Speaker, to get to the same latitude as the southern edge of our pre-Cambrian shield, it is necessary to travel another 200 miles north. In other parts of Canada, notably in Ontario, Quebec, and Manitoba, railways pass through the pre-Cambrian areas, some of those railways built 15 years before the end of the last century. Here in Saskatchewan, until 30 years after the beginning of the century, no railway was within a hundred miles of the pre-Cambrian shield. Only when the railway was put to Flin Flon was our pre-Cambrian shield touched by rail, and even up to the present time, our shield in our province is only touched in one place by rail, and that is at Flin Flon.

While the resources were under the administration of the Federal Department, it was, I suppose, quite natural that there would be little attention paid to our pre-Cambrian area, little advertising done, or little promotion work undertaken, because it is a fact, that our pre-Cambrian area is of comparatively little importance to the whole of Canada, compared to its importance to the province of Saskatchewan. Of course, since the province took over, it has been in the best interests of the province to advertise, to promote prospecting and developing in northern Saskatchewan. In 1932, just 25 years ago, the total value of minerals produced in Saskatchewan was about \$1 ½ million. That, Mr. Speaker, was less than one per cent of the total Canadian production of minerals. In 1956, the value of our production was about \$116 million, and that figure is more than five per cent of the total Canadian production of minerals. So, if we measure our progress relative to the progress in Canada, we have come up from one per cent of total Canadian production in 1932 to over five per cent in 1956. We estimate for 1957 that the total value of production of minerals in Saskatchewan will be in the neighbourhood of \$170 million. Incidentally, that is about \$20 million less than was produced in all Canada 25 years ago. It will not be very long before Saskatchewan produces its full share of ten per cent of the total value of mineral production in Canada.

I have pointed out the increase which has taken place in mineral production over the last 25 years, and I would like to point out now that by far the greater part of that increase has taken place during the last 13 years. Thirteen years ago, the value of our production was about \$22 million a year, and now, as I stated, in 1956 it is \$116 million.

Let us check the prospecting activity, and the activity in staking of claims. I have often stated that the staking of a claim, or a hundred claims, or for that matter a thousand claims does not necessarily mean the establishment of a mine. But, unless you have prospectors out in the field looking, searching and staking claims, and following up with some development work, you can be absolutely sure that you will never get a mine. That is the way mines begin. In 1931, there were only 173 claims recorded in the province. Then in 1934, there was a flourish and some excitement which finally lead up to the development at Goldfields, so that, from 1934 to 1937, there was an average staking of over 1,000 claims per year. Immediately after 1937 that dropped off, and from 1938 to 1943, six years, there were less than 100 claims per year staked in that period. It was not until 1948 that we again got back to over 1,000 claims being staked in a year. Incidentally, since that time there has only been one year when we have not had over 1,000 claims. We touched the 2,000-claim mark in 1951, and in the four years from 1953 to 1956 (the first four years of the Department of Mineral Resources), there was an average of over 11,250 claims per year staked. At the present time in the province, we have in good standing 21,277 claims.

I said previously a claim is not a mine. Further work has got to be done. Well, last year, Mr. Speaker, there were 150,000 feet of diamond drilling done in our northland. There were a number of companies which did some aerial surveys of different kinds. Incidentally, any company which wishes to do so, can, of course fly an aerial survey. But unless they have either staked claims or have staked what we call a 'geophysical claim block', flying of that survey does not give them any claim on the land. They have to get down on the ground and stake it, and file their claims. There are three, or there will be three, uranium mills in operation this spring, with a total capacity of nearly 4,500 tons of ore per day. That development has all taken place in the last few years. I do not think I need to detail the mills. They are: Eldorado, the Canadian Crown Corporation, a bit of Socialist planning in the north, Gunnar Mines, and the Lorado Mill which will be completed this spring.

Anglo-Rouyn Mines, which is a subsidiary of the Rio Tinto Company, has been interested in the Lac la Ronge area, and on claims there, they have proven up some of it by diamond drilling, some by underground work. They have put down a shaft and have worked underground and they have proven up 3 million tons of copper ore, which grades up as high as three per cent. That is not an economic quantity for the establishment of a smelter. That company and, of course, others too, are not busily engaged in a diamond drilling program in the area to try to prove up sufficient quantities of ore, which will make a smelter an economic possibility. We have not many reports on that yet, but I do know that the company considers the first reports to be quite satisfactory.

We have companies interested in other showings. In the Stoney Rapids, or eastern Athabasca area, companies are interested in showings

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of nickel, copper and iron. These are in a far-away area for a base metal mine. Certainly, we cannot expect very rapid development of them, even though the deposits prove to be very good, because of the disadvantages of that distance and isolation. But that area is certainly a very interesting one at the present time.

In the Choiceland area, there has been a good deal of excitement and a good deal of work done in regard to an iron ore deposit there. This deposit has a wonderful advantage of being located on the railway, but it has the disadvantage of being 2,000 feet deep. Over top of the iron ore there is approximately 2,000 feet of sedimentary rocks or glacial drift. Work is continuing in that area, and, of course, it is not so simple to explore a deposit like that as if it were exposed on the surface. Each diamond drill hole that they make in this deposit must be preceded by what amounts to a well, the same as you would drill for oil, 2,000 feet deep, and then they go on down with the diamond drill and take their cores and samples. We cannot yet tell whether it will be economic to operate that deposit. Much more will have to be determined in the way of volume and grade. However, I am very hopeful that further investigation may prove its value, and I also feel sure that, at some time in the not too distant future, we are going to have a steel industry in western Canada. When the time comes that a steel industry is established any place in western Canada, the presence of good iron ore, good workable iron ore in western Canada will be of real value. Over on the east side of the province. . . .

Mr. F. E. Foley (Turtleford): — Mr. Speaker, may I ask a question? I am quite interested in drill rigs. You mentioned 150,000 feet of drilling done last year. Did I understand that correct? Could you comment on the number of drilling rigs. I understood you to say also the average footage would be about 2,000, now am I wrong in that?

Hon. Mr. Brockelbank: — Mr. Speaker, I am afraid the hon. member is confusing things. I mentioned the diamond drilling in the pre-Cambrian shield; this doesn't include the Choiceland area at all, it has nothing to do with the 2,000 feet of overburden there. The diamond drilling done in the pre-Cambrian shield is something around or over 150,000 feet in the year. Many diamond drill holes will be 100 feet or less. . . .

Mr. Foley: — Just exploratory?

Hon. Mr. Brockelbank: — Yes, so that 150,000 does mean a lot of drill holes were put into the rocks in the north. I was, I think, talking about the east; I have just gone over to the east side of the province. I have previously spoken about these two new mines which will come into production, one at Birch Lake and the other at Coronation Lake, both fairly close to Flin Flon, both of them within 15 or 20 miles of Flin Flon. Both of them are owned and controlled by the Hudson Bay Mining and Smelting Company. They have built a private railway, I believe, out to one of these mines. They will be producing in the very near future.

At this point, I would like to mention something else. The question was asked in the House quite some time ago, and the answer was given as to the physical quantities of certain metals produced in different years in the history of the province. One of the hon. members pointed to the fact that certain metals had decreased in the amount of produced during the last few years. Now I would point out that that does not mean a decrease in mining, or a decrease in interest. It does mean that the companies doing the mining are taking advantage of planning their production to suit themselves. That is exactly what they do. It has often been pointed out that during wartime, the mine, for example at Flin Flon, producing copper and zinc, was working on wartime pressure and over its capacity. Then after the war, its capacity, or the volume put through, was reduced to the economic amount so that they could get the best returns. During recent years, the company has had some ore available on the Manitoba side. They have also the problem of blending their ores. they have a zinc mill, and they want to get ores going through the smelter, which will produce the proper proportion of copper and zinc, so if the ore in Manitoba has some particular qualities, it may be that they want for a time to use a higher percentage of that ore. But I would just suggest to the members that we need not become alarmed or discouraged, nor happy, because the production of a certain metal has declined by a small margin from one year to another. It goes down and it comes up again.

One of the very important jobs we have to do is to advertise our pre-Cambrian area. I already pointed out to the House, that it has been and still is one of the most isolated parts of the pre-Cambrian area in Canada. I can say to the members that is the reason why I have taken time out from the Session each year, to attend the Prospectors' and Developers' Convention in Toronto, where you can meet not only prospectors and developers but mining companies from all across Canada, and a considerable number from the United States. You have an excellent chance to remind them that Saskatchewan has opportunities for mining, and they are interested in Saskatchewan. People won't go some place they don't know, and so they want to find out; they ask questions. I think that is good advertising. A lot of other agencies throughout the province do a lot of good advertising of our pre-Cambrian area too.

We published a booklet entitled 'OIL IN SASKATCHEWAN', and we are now working on a similar booklet in regard to mining in Saskatchewan. I believe all of the members have had a copy of that book 'OIL IN SASKATCHEWAN' sent to them. I received many compliments in regard to that book, during the past few months.

The present budget which was introduced by the Provincial Treasurer, provides for an aerial electro-magnetic and magnetometer survey of 1,600 square miles. In two years we did have magnetometer surveys of small areas in the north. We published the maps from those magnetometer surveys and they were very useful to the prospectors. They now have a newer and better way of making these aerial surveys, and we believe it is of value

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to get a survey like this done on an area where you want to see prospecting and developing take place. Part of the value of these surveys comes from the fact that the survey works regardless of overburden. Even if there is 20 feet of muskeg on top of the rock, these instruments will still do their job of recording. These maps won't show where there is a mine, they will show where there are geological anomalies. They will show the prospector the most likely places to search, and in that way they will be of great assistance. As far as I know, we are the first province in Canada to do this kind of work to get some basic information with which our prospectors may work. Our Budget also provides for road extensions in the north, and I want particularly to speak of the one from La Ronge north to Waddon Bay, which will tie into the Anglo-Rouyn property.

Together with some of the other Ministers I have been making representations to the Ministers at Ottawa, to get implemented a policy of grants to these mining roads. There is nothing to report on that, up to the present time, that is definite, but I am certainly not altogether discouraged. I would like to impress upon the House that when we ask the Federal Government to make a contribution to mining roads, we are not making an unreasonable request. First of all, it has been done in the past and in many other provinces, and second, it is good business for the Federal Government to invest some money in the development in the mining area, because history has proven that it means very good and substantial revenue to the Federal Government.

I did a little bit of study of two things in regard to some mining companies: Corporation income tax and royalties. It would appear on good mines, the corporation income tax will be three or more times the royalties. That is to say, on good mines the Federal Government will get three or more times as much revenue as the Provincial Government will get from them. Some hon. members might say: "Well, why don't you increase your royalty?" Well, the income which the Federal Government gets is not only from profits on their mining operations, but profits on their processing operations, and we are not allowed to tax their processing operations. Our royalties must be confined to their profits in the mining operation. But, if the mine wasn't there, Mr. Speaker, there would be no processing operation, no profits, and no corporation income tax on it. And again I say, that it is only good business for the Federal Government to invest fairly substantial sums of money in roads to encourage mining development in Canada.

Let us turn back again to oil. Up to 1944, there were less than 200 wells drilled in the province of Saskatchewan. In the fiscal year 1955-56, there were 883 wells drilled in the one year, 539 of those wells were oil wells; 14 were gas producers. We expect in the coming year that about 800 of them will be producers. In the calendar year, 1956, we had 1,140 wells drilled for a total footage of drilling of 4,700,000 feet. That means that every day in the year, last year, there was 12,900, almost 13,000 feet of drilling done. That footage is a total of 894 miles, that

is a long piece; that's an awful long hole, Mr. Speaker. It's long enough to reach from the southwest corner of the province along the Alberta border to the North-West Territories, and then halfway across the top of the province.

In south-eastern Saskatchewan, Mr. Speaker, we have one of the most interesting oil areas on the continent, one that has attracted the interest of companies from all over the continent. Here is the reason. In 1956, there were 115 wildcat wells drilled in that southeast area, and of the 115, 41 were producers. In that area the success ratio has been exceptionally high. There has been one producer for every 2.8 wildcat wells drilled in that area in 1956. In the previous year, the ratio was about one to three. Well, that is what makes it interesting. It is a good area.

Turning to our oil production for a moment: back in 1945, our average daily production was only 45 barrels for that year; in 1950, 2,840 barrels a day, less than 3,000 barrels a day; in 1955, we reached 31,000 barrels per day for the year; in 1956, 57,588 barrels per day. At the present time, we estimate our production somewhere between 80,000 and 90,000 barrels per day. One of the most striking comparisons I can make is that in 1950, Canada (the whole of Canada) was producing less than 80,000 barrels per day. Saskatchewan is now, and has been for some months, producing more oil per day than was produced by all of Canada in 1950. Our present estimated recoverable reserves of oil are now nearly 700,000,000 barrels. It is not only the oil that is produced, but the oil that is discovered and is proven in recoverable reserves that has meaning to the province of Saskatchewan.

In potash, about 3½ million acres are being explored, one mine the Potash Company of America, near Saskatoon, is planning on production in 1958. There are other companies that I think will be (if they are not already) making a decision to put down shafts, so I think I can safely say that before 1960, we will have two mines producing potash, possibly three.

In other minerals – sodium sulphate, 1956 was a good year, with 183,000 tons produced in five plants. The salt production at Unity is gradually increasing, and this past year, it reached a value of \$1 million. In coal, we had a record high production in 1956 of over 2.3 million tons. We have been very fortunate in our coal industry in that we have not suffered the problems which the coal industry throughout the rest of Canada has suffered.

Our Saskatchewan clays are gradually coming into greater uses. Three plants have been using Saskatchewan clay to make brick or tile – at Estevan, at Bruno, and at Claybank. A plant is being constructed here at Regina to use Saskatchewan clay as well.

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The Cement Plant is also using our Saskatchewan clay. The Light Aggregate plants (I believe there are two of them here) are using Saskatchewan clay, also.

There has been quite a bit of work done in the past in research into uses of clay. That is the kind of work, Mr. Speaker, which is not colourful work; some of it is just hard steady dull plugging away. but it is getting basic information which little by little through time does bring results. Our export market for clay is improving too.

There has been a very comparative increase in the production of natural gas in the last few years as well. Less than one billion cubic feet were produced in 1951, and in 1956 near 20 billion cubic feet of gas was produced.

Looking at the future of our uranium markets, I am a little more optimistic than I was a year ago. Members know that the contracts which have been made by the Atomic Energy Board of Canada with the mines expire in 1962. During the last few years, there has been quite a rapid development of atomic powered plants and greater interest in them. I am happy to say that Great Britain really leads the world in the establishment of atomic power plants. They have had one in operation now for several months, and have a program which includes ten more plants in the next few years. The same kind of development is undoubtedly going to take place in other parts of the world, where other sources of power are either scarce or are expensive. I am hopeful now that by 1962, there will be a very substantial market for uranium for peaceful purposes.

The world market for metals appears to be on the increase, the more power that human beings have at their fingertips – that is the thing today – to get more power, whether it is through electricity or internal combustion engines, or anything else, and it means more demand for metals. Modern living means more metals, so that I can't help but think that the world consumption of metals is going to be very definitely on the increase. the same thing applies to oil. The markets are going to increase, but it is still possible that there in western Canada, we may be in a position where it is necessary to program-rate production to market demands. That has not been necessary yet in Saskatchewan, but it may be within the next four or five years.

I would like, while I am talking about mineral resources, to pay a tribute to my staff. I have had many unsolicited compliments in regard to the service given to the mining and oil industry by my staff in the Department of Mineral Resources. I think that the service we provide in the way of map information, geological samples, cores and all that sort of thing, compares very favourably with any other jurisdiction. I think it is the proper art, and the responsibility, of a Government to give that kind of service, and certainly I have a thoroughly dedicated staff,

dedicated to the welfare of Saskatchewan, and the development of its mineral resources. I know that many of them could get from industry, if they wanted to leave us, much more money than we are paying them. It is certainly to their credit, when under those circumstances they stay with us, because of their dedication to the province. For many of them it is the province where they were born, or the province which they have adopted.

Before I come to the end of this, I would like to deal with the over-all picture of revenue from mineral resources. Back in 1943-44, just over a quarter of a million dollars was the total revenue of the province from mineral resources. By 1947-48, that had increased to nearly \$1 ½ million; by 1952-53, it was over \$4 million, and in the last complete fiscal year, nearly \$12 million. In our Estimates for the current fiscal year, we estimated \$10,540,000, plus the revenue from lease sales. Undoubtedly we are going to over-run that estimate to a considerable extent. The total estimate of revenue for 1957-58, as members have seen, is \$20,732,000. I can assure members that that is a reasonable estimate, and I am sure that we will make that revenue.

This has been a record of achievement in a young province, an achievement by industry, and what the Government did was to make it possible for industry to work. We also, of course, called industry's attention to the opportunities here. But this record of achievement is one in which I believe every Saskatchewan citizen can take some pride and some considerable satisfaction. It has made a very substantial change in the economic base of the province. Agriculture will continue to be most important for along time to come, but the contribution which the other industries, particularly the mineral industry, makes to the general economy of the province is of great importance. We are certainly not at the end, Mr. Speaker. There are lots of spaces in the sedimentary area for many oil fields to be still hit, and there are lots of scores of square miles in the pre-Cambrian area that can, and probably do, contain potential mines. It will take work on the part of industry in that north country, surveying by air, and prospecting on the ground. None of us can tell just what the future is going to be, but I have noticed that my forecasts have nearly always been too modest. Whatever happens you may rest assured that my Department will push forward the mineral development in the province in every possible way we can.

Now, Mr. Speaker, that finishes what I have to say about my own Department. There are a few other little things I would like to make comments on. One of the members opposite in this debate was pointing out that, in the present Budget only 4.4 per cent (or something like that) was allocated for Agriculture, and he was claiming it was not enough for this industry. I wouldn't argue with him on that point. Now I would like some time to see more, but it is interesting to look back at the record, and I find that, in 1940-41, 1.6 per cent of the Provincial Budget was spent on Agriculture; in 1941-42, 2.5 per cent of the Provincial Budget, and in 1942-43, only 1.6 per cent of the Provincial Budget was spent on Agriculture.

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Mr. Speaker, we have often heard the hon. members opposite, talking about the supplemental allowances for old-age pensioners. I don't know whether the hon. members opposite noticed that, a few days ago, the Liberal members in the Manitoba Legislature voted down a motion asking the Government to consider paying a supplemental allowance in Manitoba. I wouldn't be surprised if they just didn't read that article.

You know, it has been said before, and it is still true, no Liberal Provincial Government in Canada provides any supplemental allowance for old-age pensioners. There is a very fruitful field in which my friends might work. They always say, of course, that our supplemental allowance is too small. The average supplemental allowance paid by the Department of Social Welfare is pretty close to \$8, and they say it's too small, plus health services, medical and hospital services.

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Yet, just the old day when the Federal Government announced a \$6 raise in the old-age pensions, what happens? Why the Liberal party all across Canada sticks out its collective chest and cheers lustily for this great increase for the old-age pensioners.

Mr. McCarthy: — It's better than crying about it.

Hon. Mr. Brockelbank: — The hon. member dotes on the Liberal Government at Ottawa. If they gave him \$1, he would say it's better than nothing. He is so blinded by partisanship that everything the Liberal Government does is right and anything anybody else does is wrong. No one argues that the \$6 isn't better than nothing; but not many people will argue that it shouldn't have been \$10 or \$15 or \$20, instead of \$6. But my hon. friends will never be able to rise in their places again and talk about the low supplemental allowances paid in the province of Saskatchewan without their faces getting red – or they should get red. Some of them have so much nerve that I doubt it will make much difference anyway.

One other thing I would like to comment on is that, when the member for Melville (Mr. Gardiner) was speaking, he urged that when a health region was formed at Melville, emergency service be available immediately, with no delay whatever. Well, who were the people who promised health services in Canada in 1919? If he is so anxious that everything should be ready to go on the spur of the moment, just as soon as his community takes a notion to go, what is the matter? Why doesn't the Federal Government take each province in Canada, and as soon as any one province is ready, go ahead with its hospitalisation scheme. I am afraid the hon. member for Melville is also blinded a little bit by his partisanship. The Federal Government Canadian be as slow as it likes with regard to health services, with regard to dams, or it can give a small increase in old-age pensions, if you like, and it is all right. But when the Provincial Government acts, it is a different thing altogether.

Well, Mr. Speaker, everyone knows that I am not partisan; and, therefore, I can support the motion.

Mr. Ross A. McCarthy (Cannington): —Mr. Speaker, this is the first time I have had the opportunity of congratulating you on your appointment. I am not going to go through the different ones, but I want to endorse what others have said on your behalf, and can assure you that I feel you will so conduct the House and restore to it some of the dignity which I think it should have. I am quite sure that you will do that.

I want to make just a few passing remarks in connection with some of the things that have been said by some of the previous speakers in this debate. I was rather surprised when our Minister of Public Health (Hon. Mr. Erb), speaking the other day, was complaining about the price of wheat; the farmers weren't getting enough for it. He said that we should sell it for soft currency; we should barter it, and finally we should give it away.

Hon. Mr. Erb: —When did I say this?

Mr. Brown (Bengough): — Quote chapter and verse!

Hon. Mr. Erb: — I made no such mention in this House in this Session.

Mr. McCarthy: — Well, all right, I suppose I will have to accept the member's word. I shall bring it in tomorrow.

Hon. Mr. Erb: — You must have read my mind.

Mr. McCarthy: — I shall bring it in tomorrow on the Orders of the Day to tell you just when you said it. I didn't think you were going to. . . .

Hon. Mr. Erb: — Oh, I agree with what you say.

Mr. McCarthy: — Mr. Speaker, I shall bring it in tomorrow and tell him when he said it, but I was just going to say that, if he felt that way about it, he should give some of his own away, just to be consistent.

I regret the Minister of Highways (Hon. J.T. Douglas) isn't in his seat, I was rather surprised to hear the Minister of Highways going on quite a tirade about the pipeline. Well, I am just a farmer, and am not up on this high finances. As far as I can see, we had a parallel case here with the Cement Plant, and I don't see any reason for him getting all in a tirade about that, when we had exactly, as far as I know, the same situation here as in connection with the pipeline.

Hon. Mr. Walker (Attorney General): — There was no such stock offered.

Mr. McCarthy: — I was also surprised this afternoon to hear our Minister of Social Welfare (Hon. Mr. Bentley) use some very

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personal abusive language. I don't think it is in keeping with the proceedings of this House.

Hon. Mr. Bentley (Minister of Social Welfare): — Mr. Speaker, on a point of privilege, I did not use personal abusive language. I deny such a statement.

Mr. McCarthy: — Well, you attributed 'colossal ignorance' to one of the members on this side of the House.

Hon. Mr. Erb: — They are just super-sensitive!

Hon. Mr. Bentley: — Yes, but that is not personal abuse.

Premier Douglas: — And he proved it, too.

Mr. McCarthy: — I don't think that should be said in this House. The Minister of Highways said that the previous governments were not responsible for the bridges on municipal roads. I forget who it was, one of the members over there admitted that they had been, and at that time I said I was glad to hear them admit it. There is no argument about the fact that, up until this Government took office, the previous governments did provide the bridges on municipal roads without cost to municipalities in 95 per cent of the cases. There is no argument about it.

Hon. Mr. Brockelbank (Minister of Mineral Resources): —There's no use arguing with you; you have your mind made up.

Mr. McCarthy: — The fact of the matter is, you Canadian look up your fiscal report. You talk about the 1,200 bridges that were in disrepair when this Government took office. That is absolutely true. There were; but we came through 10 years of depression and four years of war in which there was no opportunity to. . . .

Hon. Mr. Walker: — Now, don't accuse the Liberal Government.

Mr. McCarthy: — . . . there was no opportunity for any Government to repair those bridges. Those are just a few things that come to my mind, Mr. Speaker.

Another thing I would like to speak about for a few moments is the grid road system. I am pleased to see that some of our municipalities were able to make a good stat on the grid road system, and where those municipalities were able to do that, it has certainly been a great help to them. But I would point out to you that, in my opinion, the majority of those municipalities, who did go into that, were the stronger municipalities. I have been trying ever since I came into the House to get a true picture of

exactly what happened to the grid – how many miles were built, what municipalities built, and what share they got; but so far I have not been able to get that information. So the remarks I intend to make will have to be made on the basis of my personal observation.

I said, a year ago, that in order for municipalities to take advantage of this grid, one or two things would have to happen. Either they would have to raise their mill rate from four to five mills, according to their assessment, or they would have to use their reserves or borrow the money. From my personal observation that is exactly what is happening, and some of them this year are in debt. This grid road is a good thing, but it should have been Provincial responsibility; these should have been secondary highways. They are loading an extra burden on the municipalities. I asked the question today as to how many miles of highway were put in the grid, and the answer was none. Technically, that may be true; but I find out No. 35 south from the U.S. border to Francis is also built from Qu'Appelle right up to Nipawin, and eventually will go to Flin Flon. There's a gap in there between Francis and Qu'Appelle, and that has gone into the grid system, despite the answer that there were none in the grid that had gone into the Highway system. I know a contract was let for it, and it was that stretch that should have been a highway, will some day be a highway, that is turned over to the municipality to build and maintain. True, they got an extra big grant. They got away above 50 per cent, but it is still a municipality responsibility.

We have a similar situation from Stoughton to Grenfell, No. 47 Highway from the international boundary to Stoughton. It is also built from Grenfell north, and that stretch of about 60 miles has been put into the grid. Now, it may have been true that that was not on the marked highways, but nevertheless when you have a highway marked and built on both ends, I believe that is the rule of the highways, that the stretch in the middle will some day be part of the Highway.

That also happened, I believe, in another case, but I am not too familiar with it; but we had in this province as of the 1st of 1956 something like 1,000 miles of what was termed 'secondary highways'. Those highways were built by the Government and maintained by the Government. Here again I have not been able to get that information I have asked for it, but haven't gotten it; but I know the greater portion of those secondary highways have been absorbed into the grid system, and has become the responsibility of the municipality. It is true that the Government are paying a certain percentage – 50 per cent is the average, but varies up and down; but I point out here, Mr. Speaker, that over a period of five or six years the municipalities will have spent as much in the maintenance of that highway as the Government originally put in, because they are assuming no responsibility for the maintenance of it; they are just giving a 50 per cent grant. They give a grant, and the municipality have to build and maintain those highways.

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There is another factor that enters into that, too. The Government are going to put \$25 million into the grid, but we must not forget that the municipalities must also raise \$25 million, and in a great many cases it is going to be a matter of borrowing money, because municipalities need roads; they need them badly. That borrowing is going on today, because I believe the municipal mill rate has reached a point where it Canadian go no further. In spite of what the experts say, I still say that.

When you get a mill rate that amounts to about \$1 an acre, a total mill rate that amounts to \$1 an acre, Mr. Speaker, why you're getting just about to the saturation point. Some of these younger members may think that is wrong and might not be true if you take just over the last 10 or 12 years; but if you take over the long-term average, when you get to that position of \$1 an acre of municipal tax, you have reached about that point where you want to be very careful.

Now, one reason why we in this country have not been able to compete on the open market, is because we had cheap land and low taxes. We are fast getting out that position – very fast; very quickly getting out of that position. We have districts in this province where they are selling land at \$100 an acre. With \$1 an acre tax of municipal tax on top of all your other expenses, you are putting yourself into a position where it is very difficult to compete in the world's markets. We have had the advantage that way so far, but we are gradually losing it, partly by raising the price of our farm lands away beyond its normal value. I don't think there is any farm land, any land that is going to grow wheat, oats, barley or any of those grains over a long term of years, that is worth \$100 an acre; I don't care how good it is. I think that most of the farmers who have lived in this country for a great number of years will agree with me in that.

I see we have a new heading in our municipal deal. We used to have a heading for 'Roads and Bridges'; now we have a new heading, 'Roads and Bridges and Ferries; and I am just wondering, Mr. Speaker, if it is the intention of the Government now to charge back the operation of ferries to the R.M.'s. I am just wondering if they intend to do that. I cannot see any other reason for that heading.

Another thing I would like to say a few words about is your county system. I have a little card here, which I carried with me all during the election – a very interesting little card, 'The CCF program'. The surprising thing about that program is that there is nothing in it. . . .

Premier Douglas: — That's right.

Mr. McCarthy: — . . . nothing in it about putting the municipalities in the county system; nor did we during the election hear any mention, or see anything in any publication, where the CCF Government said if they were elected, they were going to put the municipalities into the county system.

Hon. Mr. Walker: — The Liberals said that.

Mr. McCarthy: — If it was there, I didn't see it, and I suggest, Mr. Speaker, that is, shall we say, not cricket. Here was supposed to be a program of what they intended to do. They had this thing all ready. The election wasn't over before they said they were going to put the R.M.'s into larger units; but they didn't put it on the program, and I am quite convinced that, had they put it on the program, they would not have elected one member. . . .

Premier Douglas: — Mr. Speaker, on a question of privilege. May I ask my hon. friend, when did the Government say they were going to put the province on the county system?

Mr. McCarthy: — I haven't those quotations with me, but I will bring them tomorrow, if you wish.

Premier Douglas: — That the Government said we were going to put in the county system?

Mr. McCarthy: — The Government said they were going to call a re-organization – the main item on the agenda would be the reorganization of larger units.

Hon. Mr. Walker: — You're dreaming.

Premier Douglas: — There's no such item.

Mr. McCarthy: — That's all right. I'll bring it in tomorrow, if you wish.

Hon. Mr. Brockelbank: — Sure, you'll do a lot tomorrow.

Mr. McCarthy: — Another thing that is not in this program. . . .

Hon. Mr. Brockelbank: — That's Liberal technique – do it tomorrow.

Mr. McCarthy: — Another thing the Government knew, I think, they were going to do, that was not in the program. They never said anything about raising the insurance rates. Not very long after election out they come with a \$5 raise in insurance rates. I am quite sure they knew that, but it wasn't put in there. This is a very interesting little card, this CCF program.

Hon. Mr. Brockelbank: — Very good.

Hon. Mr. Bentley: — A lot of people found it so.

Mr. McCarthy: — They go along, and they turn over on the other side of it, and talk about what they should do, what the Government at Ottawa should do, and suggest they do a very great many things, Well, I say

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to you, Mr. Speaker, that they are quite safe in doing this, because they haven't a chance that they will ever be there, and they are asking things that they know are almost impossible.

Hon. Mr. Brockelbank: — I think we have just as good a chance as you have to be across here.

Mr. Gardiner (Melville): — Not quite.

Mr. McCarthy: — They try to make out (as though they didn't know any better) that they have a chance of forming a Government at Ottawa. Mr. Speaker, they haven't a chance of ever forming a government at Ottawa. They are not a National Party. They never have been, and from all prospects, they never will be. They haven't any support east of the Great Lakes. At one time they had 23 members in Ontario, a few in Nova Scotia, and quite a few in Quebec. Today they have hardly any members down there; they are going in the same direction as all the fringe parties in Canadian history have gone. First we had our Patrons of Industry. They came up with a great furore and kind of a religious theory, and they caught on for a time and then they passed in and passed out. Then we had the great Fabians. I admit that they probably did some good in their time, but they passed out and we never heard of them again. Then we had the old Grain Growers' Association, and don't connect that with the Grain Growers' Company; this was the old Grain Growers' Association. They stuck their finger into politics for a little while, and they passed out of the association. Then we come along and we had the Progressives, and they really thought they were just going to rule all of Canada. As a matter of fact, they did form a Government in Ontario, and they had almost a free vote of the west, and one they were going to do a lot of different things, but you never hear of them today. My contention is that the CCF is following the same traditional road — they are on their way out, and they won't even be heard of in another 15 years.

I would like to give a little bit of advice to those younger members back there at the back. They are very pleasant looking chaps — very pleasant looking chaps. I like them; I like to see them with a smile.

Mr. Thorson (Souris-Estevan): — Thank you.

Mr. McCarthy: — You know, I don't like to pass this up, Mr. Speaker. There isn't much difference between a pessimist and an optimist. It is a matter of opinion. For instance, they tell the story about the fellow who had a glass of whiskey, and it was just up to the half-way mark. The optimist looked at it and said, "It's half full." The pessimist looked at it and he said, "It's half empty." So these fellows here in the front seat are pessimists. I hate to see you young chaps over there form that pessimistic idea, and take that sour outlook on life. You are young men, and you should get into a party, a national

party that has some future. Whatever you do, don't lose your smiling faces and get into this habit of weeping and wailing and gnashing of teeth, and blaming everybody else for all your troubles. I'd hat to see you absorb too much of this stuff from the front row, in case you lose your pleasant looks, and your pleasant outlook and your pleasant smile.

Now, over here we have our social Credit friends. They are a very pleasant looking group of men. I like them. I like a pleasant face, but I have been waiting. I have read a lot about Social Credit, and have heard a lot of speeches about Social Credit, and I may be a little dumb, but I don't know any more about it now than I ever did. I have been waiting for our friends over here to get out and expound the theories of Social Credit, but so far I haven't, and I hope that is to come, because I will enjoy it. They tell me that the Social Credit Government in Alberta has a problem that does not belong to any other government that I know of, and that is they have so much money they don't know what to do with it. After all, I think it can become a problem. They tell me it can become a problem like a father with a son, who gets too much money and doesn't know how to spend it wisely. They tell me that is the situation in Alberta, but they did get rid of some of their surplus last summer when they sent so many speakers into Saskatchewan and they must have got some money from somewhere.

Now, Mr. Speaker, I don't want to take up very much more of your time. I am glad the Provincial Secretary (Hon. Mr. Brown) is in his seat, because I want to draw his attention to a few (shall we say) errors, that he made. . . .

Hon. Mr. Brown: — Say anything you like; I don't have to pay any attention to it.

Mr. McCarthy: — I am going to take the liberty of pointing out to him these errors, and if you turn to page 9 of this document relating to Provincial-Local Governments referred to by the Hon. Provincial Treasurer, you will see. . . .

Hon. Mr. Brown: — I had nothing to do with that, Ross. I didn't write that.

Mr. McCarthy: — I said the Hon. Provincial Treasurer.

Hon. Mr. Brown: — Oh, I'm glad you're going after him. I though you meant me.

Hon. Mr. Brockelbank: — You said "The Provincial Treasurer".

Mr. McCarthy: — I had a notion to say you, but I really meant the Provincial Treasurer.

Hon. Mr. Brown: — Thanks a lot, Ross.

Mr. McCarthy: — I hope, Mr. Speaker, that I won't be accused of taking it

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out of the context if I read it from there. It should give you an idea. . . .

Hon. Mr. Willis: — Stat from the beginning.

Mr. McCarthy: — . . . I will read the whole paragraph if you wish, but I think you can get the idea. It says:

“However, the receipt of direct aid usually involves the acceptance of minimum standards or a specified level of local expenditure. Unconditional grants to local government are uncommon; the only recent example which may be classified as unconditional aid is the removal of the Public Revenue Tax.”

Well, all right then. Now, if we go back here a little further to, I think page 15, we find there – and he is talking about equalization of road grants:

“Equalization grants are given to the municipalities which take into account such factors as financial standing, topography, degree of stoniness, bush cover and also the impact of provincial withdrawal from the Public Revenue Tax.”

It was an unconditional withdrawal, but he took it into account when he was setting up the grant. In another place he says that he has abandoned the tax property field. I think that is on page 38. But as a matter of fact, Mr. Speaker, they are still collecting three cents an acre of a land tax for mineral rights. If that isn't a land tax, I don't know what it is.

Premier Douglas: — Agreed.

Mr. McCarthy: — All right. Let's have a look at this Public Revenue Tax.

Hon. Mr. Fines: — It's gone, we can't see it.

Mr. McCarthy: — On page 15, we find that they are taking in the road grants, and on page 38, he says there was \$1,800,000.

Hon. Mr. Brockelbank: — Who put that tax on anyway?

Mr. McCarthy: — Which tax?

Hon. Mr. Brockelbank: — The Public Revenue Tax.

Mr. McCarthy: — That has nothing to do with it. That has nothing to do with these figures. Now I know that a few hundred thousand is nothing to the Provincial Treasurer, but I thought he would get around \$700,000. On page – wait a minute, let me get it straight now – I think it is on page 25, — no that isn't the one.

Mr. Brown (Bengough): — You got the right book?

Premier Douglas: — Split the difference.

Mr. McCarthy: — The road authority said that it is \$1,300,000. The Provincial Treasurer said in. . . .

Hon. Mr. Fines: — Mr. Speaker, may I help the hon. gentleman. In one case we are referring to the entire amount of the Public Revenue Tax, including the amount that was collected by the urban municipalities. In the other it is the amount collected by the rural municipalities.

Mr. McCarthy: — It doesn't say so.

Hon. Mr. Fines: — Oh yes, it does. If you will read it, you will find that it is very clear.

Mr. McCarthy: — All right, I got the clipping out of the page on Municipal Road Assistance.

Hon. Mr. McIntosh: — You clipped it too thin.

Mr. McCarthy: — “It is also to be remembered that the Province has abandoned the Public Revenue Tax, making that part of the revenue available to the municipalities in the amount of \$1,300,00.”

In another book by the Provincial Treasurer on page 25:

“As you know, in 1952, the Public Revenue Tax was turned over at a cost to the province of about \$2 million annually.”

Hon. Mr. Fines: — Right.

Premier Douglas: — All the municipalities.

Hon. Mr. Fines: — All the municipalities, urban and rural.

Mr. McCarthy: — It doesn't say so.

Premier Douglas: — We probably over-estimated the intelligence of the number.

Mr. McCarthy: — Well, anyway to the average joker like myself, reading it, there is a terrible difference in the figures. I am surprised that he in one case took the Public Revenue Tax off and abandoned it, and in another page it was turned over to the municipalities, and on another page he says he has taken the land tax off, and he still has three cents. . . .

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Hon. Mr. Walker: —That's not a land tax.

Mr. McCarthy: — I think the Provincial Treasurer should be very careful about these things, because he might make a mistake of \$2 or \$3 million some place else, and he certainly made a mistake here.

Mr. Speaker, at this time I will beg leave to adjourn the debate.

(Debate adjourned)

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