

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**First Session — Thirteenth Legislature**  
**25th Day**

**Wednesday, March 20th, 1957**

The House met at 2.30 o'clock p.m.

**BUDGET DEBATE**

The House resumed from Tuesday, March 19, 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. W.S. Lloyd (Minister of Education):** — Mr. Speaker, when the debate adjourned, last evening, I was making some general comments on the general criticism of the Official Opposition. You will recall, Mr. Speaker, that this criticism was to the effect that the Government, and the Department of Education in particular, had spent too much time with philosophy, fiddling, and in general fooling around with peoples' money. I want to direct my remarks, first of all this afternoon, to some of the things which have taken place during this period when the Government fiddled and the Opposition burned.

I will first of all refer to the situation with regard to school grants. In the year 1943-44, expenditures on education, by the Department of Education accounted for some 13 per cent of the budget of the Government of that day. In the current year, expenditures for this Department will account for some 23 per cent of a Budget which, of course, includes many additional items.

Secondly, to the point that in that particular year, 1943-44, the proceeds of the Education Tax and the School Lands Fund of the Department provided more than enough to meet the total expenditures of the Department of Education. Contrast that with the situation of the current year when the proceeds from these sources will have to be supplemented by approximately \$8 millions in order to meet the needs of the Department of Education.

In 1943-44, total school grants amounted to \$2¾ millions, whereas this year, they will amount to almost \$17 millions. At that time the minimum grant paid in the province was \$180 per year for elementary classrooms. That was the grant in our larger cities. It has increased from \$180 a year to a minimum this year of \$900 for that same classroom, plus a per pupil grant. The maximum grant which was received at that time, including equalization grants, amounted to \$600 a year. the maximum grant this year will amount to about \$2,600 a year.

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At that time equalization grants were restricted to rural and village districts with an assessment of less than \$100,000 per classroom. They have, for several years now, equalization grants that are applicable to all classes of districts, determined by their assessment.

In that year 1944-45 less than \$400,000 was provided in equalization grants. that has grown to the point where it is now over \$4 million. Capital grants which at that time amounted to zero dollars, will this year amount to some \$2 millions. There will be very few new schools constructed in the province of Saskatchewan this year which will earn a building grant of less than \$2,000 per classroom constructed.

We have moved during this period of “fiddling” from a period in which there was practically no school building for at least ten years, to a period such as I outlined yesterday, when during the last two years, approximately 750 new classrooms have been constructed plus 140 new teacherages. When you bear in mind that the total number of classrooms in operation in the province is something less than 8,000, we will see that in the last two years, about 10 per cent of those classrooms have been constructed. We have moved during that period from paying our teachers a total salary of some \$7 millions to the payments of \$23 millions in the year 1955-56, and a sum in excess of that during the current year.

The Teachers’ Superannuation Plan, at that time, provided for a teacher with 35 years of service and 60 years of age, a service pension of \$455 if a female, \$525 if a male. That same person would earn, in 1956, a service pension of \$1,200, and will, after amendments to be introduced later in this Session, earn more than that. I shall have considerable more to say about this matter of superannuation, at a later date.

I turn now to see what has happened with regard to teachers’ certification during this period. I want to use some percentages. These percentages will be percentages related to the total number of persons, including Study Supervisors, in charge of our classrooms.

In the year 1945-46 we have approximately 500 teachers in the province who had four years of training or more, after grade 12; about seven per cent of our staff. We had about six per cent of our staff who had two years of training or more. We had some 3,800 teachers, about 56 per cent, who had one year of training. You will note that those three groups – those having four years of training, or education after grade twelve; those having two years after grade twelve; and those having at least one year after grade twelve – amounted to, in all, 69 per cent of our teaching staff.

In the year 1955-56, these same groups, make up, not 69, but 89 per cent of our total staff. During that time the number of teachers with degrees and the number of teachers with two years or more of training, more than doubled and the number with one year or more of training increased likewise.

Putting it another way: in 1945-46, only 13 per cent of our teaching staff had more than two years of training after grade twelve, whereas at the present time 50 per cent of our staff have two years or more of training after grade twelve.

When I use the figure of 69 per cent or 90 per cent, that does not mean to say that all of the remaining people were entirely untrained. Many of these people hold very good certificates. They will include, for example, those teachers with second-class certificates, most of whom have had many years of training and have proved themselves valuable in the profession. They will include people with special certificates for special subjects, in areas such as music, who may not have a complete certification but an excellent background and training for the teaching of music. They will include persons with technical training, perhaps journeymen who may not have a complete grade twelve but who have some teacher training in addition to their journeyman certificate. They will also include those persons who have temporary certificates; people who may lack a few subjects from having a complete grade twelve and will include the study supervisors. Looking at that group for a moment, in 1945-56, we had some 1,562 in this particular group, most of these people having a few weeks of training for teaching at our Normal Schools at that time. that total number was reduced by 1955-56 to some 430.

The point I want to make, Mr. Speaker, is that the percentage of youngsters in Saskatchewan taught by well-trained persons is greater, within the last few years, than it ever has been before. The fact that 50 per cent of our teachers had more than two years of training; the fact that the number of people with degrees has more than doubled, and of those with more than two years of training has more than doubled, are substantiation of this point. I doubt very much whether there are many, if any, other provinces of Canada that can show that kind of a picture. We could reduce the number of study supervisors in our schools if we wanted to adopt the practice which has been adopted in at least two other provinces recently, namely, that of accepting for purposes of some kind of certification, people with less than the usually required amount of teacher training.

One can measure also what has happened with regard to the field of education by looking at the high school picture. In the previous period, we had the situation in which the cost of high schools for a great majority of our rural students was almost an entire charge on the individual parents. If there was board and room to be paid, the parents paid it all. If there are fees to be paid, the parents paid it all. We have moved from that point to one in which those students residing in school units have almost entirely the fees paid for them by the units. In addition, transportation has brought, as I mentioned yesterday, some 4,600 students from rural districts and smaller urban districts to the doors of good high schools. And in the majority of units there is some assistance with board and room cost, or transportation cost, as the case may be. We have moved from a position in which, if a student wanted any vocational education he had to go to one of the larger cities, to one in which he can get some degree of vocational experience in one of twenty-five or thirty centres throughout the province.

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Let's look for a moment at the actual attendance, the relative attendance of high school students. In the year before the units (1944-45), nine per cent of the students in these areas in attendance at schools under The Schools Act were high school students. Nine per cent of the total were high school students. In 1952-53, the relationship was 13 per cent: 13 per cent of the students in units were high school students. In 1955-56, it had further improved to the point where 17 per cent of the total enrolment in our units were high school students. We have moved from a position in which nine per cent only were high school students to one in which 17 per cent were high school students.

Let's take a look for a moment, too, at what has gone on in the northern part of Saskatchewan. Under the previous Government, education in that area was almost entirely carried on by churches and church organizations, and had it not been for the devotion and dedication of these groups there would have been very little by way of educational opportunities in that area. In some cases they received the regular grant. I think they never received more. But in 1956, in that area, there were 75 teachers employed teaching 2,400 pupils. Except for the case of Uranium City and area and of Creighton and of Island Falls, the cost for this program is almost entirely carried by the Government. Even when you take out these areas, there still remained 50 teachers and 1,700 pupils.

One could speak for a considerable length of time with regard to other qualitative improvements in our school program. One could speak of the increased number of school radios, of projectors, of the greater accessibility to more and better library books, and laboratories, of assembly rooms, of gymnasiums, and of auditoriums in increasing numbers. One could talk of the program in school music or school drama or school athletics.

We might, also, when speaking of this period when we were so engaged in 'philosophying' and 'fiddling', have a look at what has happened at the University, where there has been an expenditure on buildings of some \$20 millions of dollars – including the University Hospital and the Medical College which has brought to this province some of the best trained medical minds and hands to be found on the North American continent, which has already resulted in the saving of lives and in the alleviating of a very considerable amount of human suffering. During that period, the financial support given to the University by the Government has increased for operational purposes from \$550,000 to over \$2 million in the Budget which is now before us.

Also, there could be comment with regard to the Student Aid Fund, a plan which is unique in the Dominion of Canada and a plan which guarantees that students who are unable to finance their own university courses, who qualify to attend, may receive assistance from this fund to make it possible for them to attend; a situation which, I repeat, does not exist in any other Canadian province.

These are some of the events and developments which have taken place during this period. the people of Saskatchewan very plainly said, in the provincial election of last year, Mr. Speaker, that they want more of this kind of ‘fiddling’ and ‘philosophying’ and ‘fooling’ around, and they are quite prepared to continue to watch the burning indignation of the Liberal Party because they still don’t think they are an adequate group to govern in the province of Saskatchewan.

I want now to turn to some of the remarks which have been made with regard to the Provincial-Local Government Conference held in this Chamber in December. In a radio talk after that conference, I said that Saskatchewan, this young province of ours, had not infrequently made history of note, and had made it again during that conference. That statement is, I think, a very true one. It was a conference which was exciting and, I think, profitable. But, there seems to be some misunderstanding as to when the conference was called, why it was called, and what actually transpired during the conference. To begin with, I think in 1955, about the time that the Baker Commission had issued its report on Local Governments, the municipalities at the time of their convention were told by the Premier that a conference of this kind would be called. Since there were some very sweeping recommendations in the Report of the Commission, they were told that it would be the desire of the Government to have a very full discussion with various local government groups in order to help evaluate and determine a course of future action as the result of recommendations which had been made. And so, at that time, they knew, the province knew, that the conference was going to be called. And then, since it has been suggested by some members of the Opposition that the conference was called for the purpose of threatening the municipalities, or that such threats were actually expressed during the Conference, it thought it worthwhile to place on the records of the House here, some of the comments made by the Premier both in opening the conference and during the conference.

On Page 11 of the “Opening Statement” by Premier Douglas, he had this to say:

“In this past decade this process has been tremendously accelerated and a whole series of measures have been undertaken to bolster local governments. New organizational units have been superimposed upon it” (referring to municipal structure) “to meet the need for particular services. Responsibility for services has been shifted to the Provincial Government. Provincial technical aid and assistance have been greatly expanded. Direct financial help has been multiplied. Yet . . .

and this is an important quotation, Mr. Speaker:

“. . . we continue to be troubled and frustrated in our attempts to provide an adequate level of local services, despite the hardest of work, the unflagging zeal and the

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sincerest endeavour of local government people.”

There was in that statement, a recognition of the fact that local governments and the people who are responsible for administration were being asked for services which they found it difficult or impossible to offer, even though they themselves, had tried with the hardest of work, with unflagging zeal and did so with sincerest effort.

“In light of this situation” . . . (the Premier continued:

. . . ”it seems clear to us that the time has come for a thorough-going reappraisal of local government in Saskatchewan. We need to examine its structure and organization; take stock of what responsibilities it is best suited to carry out, and determine the fiscal capacity it must have to do its job.”

Certainly nothing could be clearer than that as to the reasons for calling the Conference.

With regard to the matter of reorganization itself, since there was a suggestion from the member from Cannington (I believe it was) that the conference was called in order to organize counties, it is perhaps well to read what the Premier had to say there. He said to the conference:

“The Government itself believes that some kind of basic reorganization, at least in the rural areas, is an essential and inevitable first step in meeting the problems of local government today. I want to make it abundantly clear, however, that the Government will not embark upon a program of municipal reorganization unless this program is assured of the co-operation of the local governing bodies and has the widespread support of the general public.”

He went on from there to put before the conference the choices which we have. He said:

“First, we might simply alter boundaries, establishing more effective local government units.”

In that regard, I think it is worthwhile noting, Mr. Speaker, that we have become accustomed to thinking of our municipalities in Saskatchewan as a nine-township municipalities. As a matter of fact, there are, of course, 84 of our rural municipalities which are less than nine townships in size. That is, something more than one-quarter and slightly less than one-third of our municipalities are less than nine townships of size. That was the first alternative which the Premier proposed – to simply alter boundaries, establishing more effective local government units.

“Secondly, we might establish local government units with coterminous boundaries.

“Third, we might establish the county system.”

He put before the groups, these three possibilities which he asked them to consider.

Since it has been suggested that somebody, somehow or other, some place or other, threatened the municipalities that if they didn't do what supposedly they were asked to do, they would get no financial assistance, may I read a statement found in the following page (Page 14) in which the Premier said:

“As long as there is assurance that the funds will be used economically, efficiently and to good public purpose, the Government is committed to share any increased revenues with local governments.”

I want to read further from the transcript of the proceedings, the remarks of the Premier in discussion near the end of the conference. He says:

“We could not in all conscience, having received these reports from the Royal Commission, which reports, you will remember, came in 1955 (over a year ago) and having as a result of our own investigation seen the situation which we have tried to describe to you over the past few days, we could not see that without placing the facts before you . . .”

(The suggestion of the Opposition is that we should remain ostrich-like, with our heads in the sand, and not comment on the situation as we understood it.)

“We have done so. We have no intention of being arbitrary, or domineering, or shaking a big stick. If the local governing bodies of the province feel that we should let the status quo remain as it is, then we shall have to continue to do the best we can, and we shall carry out the commitments which I made to you on Tuesday. We shall keep the commitments; as we get more revenue, particularly from development of resources, we will pass on part of that increased revenue to local governing bodies.”

I submit, Mr. Speaker, that those statements are hardly capable of misinterpretation unless one, of course, wishes to misinterpret.

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I want to have reference, just for a moment or two, with regard to what is being done and what is proposed by way of assistance to local governments in the province of Saskatchewan.

In a Brief tabled at the time of the Conference, entitled "Provincial Aids to Local Governments", the Provincial Treasurer set this out on Page 17, Table 4. He was able to say, as a result of the facts provided in that table, that in 1956-57, some \$18.4 millions would be made available to local government bodies to assist them in carrying on their various services. If, to that, we added payments out of the Consolidated Fund to the local hospital jurisdictions of the province, there is another \$11 million, making a total of \$29.4 millions. The significant part, I think, Mr. Speaker, is that this \$29.4 millions accounted for some 34 per cent of the revenue account budget of the Provincial Government. In other words, more than \$1 out of every \$3 we didn't keep for our own purposes; we simply put in an envelope and sent it to local government bodies for their use.

It is also significant to note that this \$29.4 millions of dollars made available to local governments in 1956-57 was more than equal to the complete budget of the Provincial Government in the year 1944, and that the amount made available at that time to local governments was far from being, of course, this amount, but was \$4½ millions or rather 12 per cent of the budget. In that period, the amounts paid had increased from \$4.5 million to almost \$30 millions; from 12 per cent of the provincial budget to 34 per cent.

During the year 1957-58, it is estimated that, for these purposes we will provide \$25.2 millions and if to that is added payments of another \$13 millions under the Saskatchewan Hospital Services plan, we get \$38.6 millions made available to local authorities throughout the province. This constitutes 38 per cent of the Provincial Government budget for this particular period. We have increased in absolute amount, and have increased in percentage, the assistance that is being made available to local authorities for their purposes. When you add to that, assistance indirectly because of the medical care program for old-age pensioners, those in receipt of mothers' allowances; when you add to that the undoubted assistance to municipalities because of the cancer and polio treatments, because of the joint federal-provincial program of old-age pensions, because of payments in lieu of taxes which are increasing, because of Government purchase of local government debentures, you have a very substantial effort indeed in assisting the local governments to meet their particular problems.

Mr. Speaker, it seems to me that the Budget, as placed before us by the Provincial Treasurer, has assessed and analyzed well, the provincial economic picture. It provides for a continuing investment, and preparation for investment, in our material resources. Equally important, and more important from the point of view of some of us, it provides 65 per cent of this

Budget as an investment in human resources in the fields of health, education and social welfare. This is a more generous investment of this type than will be found in the Budget of any Provincial Government in the Dominion of Canada.

Because of that, and because of the fact that it comes from one who, because of his capable direction of the province's financial affairs for some 13 years, has gained and held the respect and confidence of the Legislature and of the people of this province, I am quite prepared to support the Budget.

Having given those reasons, Mr. Speaker, I am quite happy to return to my 'fiddling and philosophying', making sure that I will support it.

**Mr. A.P. Weber (Meadow Lake):** — Mr. Speaker, in rising to take part in the debate on the Budget, it is with a great deal of reluctance that I do so. This debate has been going on for quite a few days, and in my opinion, most of the time has been devoted to fighting party politics and matters relative to party politics, and matters pertaining to the Budget could have been dealt with in half the time, at least in my opinion.

My friend, the member from Cannington (Mr. McCarthy), mentioned the other day in his speech that he was a little bit disappointed in that he heard no Social Credit philosophizing from this part of the House. Now, I would like to point out to this Assembly to start with, that the hon. member in his remarks pointed out that he was disappointed. Well, I can assure him that possibly in three years from now he might be hearing plenty from this part of the House.

I would also like to mention that, as far as I am concerned, he is going to be disappointed in hearing any Social Credit theorizing from me during this Session. In fact, in listening to the speeches of the Liberal Party in this Assembly and also that of the Government side of the House, I must say that I was bored, and I am quite sure that the members of this Assembly would be bored if I started philosophizing Social Credit theories.

However, I must say that I did enjoy most of the remarks made by the hon. members in extolling the many and varied merits of their respective constituencies. I believe that most of them were justified in being proud.

Some of the hon. members took us on varied cruises throughout parts of America, Canada, United States and Europe, and one of the members, the hon. member for Cumberland, I believe, even took us to Moscow, and to all intents and purposes, I believe that he left us, because in concluding his remarks he didn't refer any further to the affairs of the province of Saskatchewan.; However, I did find it interesting, and I must compliment him on his speech, just the same.

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My main reason for hesitating, Mr. Speaker, in rising today is not because we haven't got the best people in my constituency; it's not because we haven't got the best part of the province in my constituency. Why I hesitate to speak here today is because, with all these good features we have in my constituency, we still have the most deplorable conditions existing in the constituency of Meadow Lake that exist in any part of Saskatchewan, if not in all of Canada.

I would like to point out to this Assembly at this time that Meadow Lake is administered by Local Improvement Districts and Northern Administration District, and in that area there are no representatives such as councillors, and Reeves for liaison between the government of this province and the people residing in that area. Consequently, the only contact of this government with the conditions existing in that constituency is through the civil servants who are working in that area. Today I want to speak particularly about the constituency of Meadow Lake. In my previous speech to this Assembly, I did outline my stand on policies, pertaining to the affairs of the province as a whole.

First of all, I would like to acquaint the hon. members with my constituency, because I am sure that many of them have never been in and out of that part of Saskatchewan, in the northern constituency of Meadow Lake. I might mention that the constituency of Meadow Lake is one of the largest, if not the largest constituency in the province of Saskatchewan, and I believe that qualifies for the rest of Canada.

The town of Meadow Lake is situated practically in the centre of the extreme southern part of the constituency, and it is the only town in that constituency. There are a few villages and several hamlets, but the main shopping centre is the town of Meadow Lake. Farming land is also situated in the southern part of the constituency, and it begins a few miles east from the town of Meadow Lake and runs in a north-westerly direction to the Alberta boundary. The distances, of course, that these people in the farming areas of that part of the constituency have to content with to get their produce to the market is a big factor in what I am going to mention now, and that is the highways that we have in our part of the country.

The Minister of Highways (I am sorry he is not in his seat this afternoon) mentioned in his speech that some program was going to be completed in that constituency. However, it is to a very small part of the constituency that this road applies. I might mention that there are only approximately 12 miles of No. 4 highway to the south of Meadow Lake; about 126 miles of No. 3 Highway crosses from the eastern part of the constituency to the Alberta border, and I might mention that the total gravel highway in this whole constituency is less than 125 miles.

I also might mention the railroad and that the end of steel on the railroad is at the town of Meadow Lake which is in the extreme southeast corner of the constituency, and only about twenty-five miles of railroad actually enters into the Meadow Lake constituency. So you can see, Mr. Speaker, how that affects the hauling of farmers and stockmen's products in that part of the country. They have to bring in their livestock and their grain, for many miles, some as far as 70 miles, to the town of Meadow Lake to market. Roads, therefore, are a very vital factor in giving them a chance to haul their grain to their place of market. Some places north of Meadow Lake have a distance of about 30 miles to bring their livestock and their grain into the town of Meadow Lake and some from as far west as 70 miles; and east, of course, the same applies.

The hon. Minister of Social Welfare mentioned in his speech, the other day, about he being the last one to brag about his constituency; but he did mention the fact that it was the largest grain-shipping point in Saskatchewan. Well, I'll have to differ with him, because I am quite sure he hasn't his figures straight on that and because I think that the capacity of the elevators we have at Meadow Lake might be larger than the total marketing of grain would be at Shaunavon. The elevator capacity at Meadow Lake is over one million bushels, and two years ago the marketing of grain was slightly over four million bushels. That is a tremendous amount of grain not to mention the forage seed and other things that enter into that picture, too.

The Agricultural Society there runs a bi-monthly sale. A cattle sale is conducted every two weeks during the summer months, and in the winter, once a month. This livestock sale has been on for quite a number of years, and I am quite sure that it is the amount of livestock sold in that area which would help to keep the Agricultural Society in this business. I might mention that the Pool conducts the sales for the Agricultural Society. I might also mention, while we are talking about the large district which Meadow Lake is serving, that a one-bushel quota increase requires 120 box-cars to provide for a one-bushel quota. So you can see, Mr. Speaker, the necessity of good roads, and, as I mentioned before, we have less than 125 miles of total gravel highway in that area.

I am glad to hear that the Minister of Highways said that he was going to complete No. 3 Highway to Goodsoil. However, on No. 3 Highway, he is leaving a gap west of Pierceland to the Alberta boundary, which is approximately 11 miles. When he gets to the Alberta boundary, there is a gravel road that will take him to either Beaver Crossing or Grand Centre, where there are elevator and shipping facilities. For the people at Pierceland at the present time, if they want to market their produce, the closest point is at either Beaver Crossing in Alberta, or at Grand Centre, Alberta, which is approximately 30 miles. And, of course, if they go as far east as Beacon Hill, naturally the distance would be increased.

Farmers in the Pierceland area are at least 70 miles from the town of Meadow Lake, which is their closest railhead to the east, and thirty-some-odd miles to the closest railhead to the west. Naturally, they

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require that the connecting link between the No. 3 Highway, which is now completed to the Alberta border. I am not saying that the people of Saskatchewan should haul their produce to Alberta, by any means; but I am just saying this because it is definitely a necessity and it is very important to those people that they have an outlet to a market.

In our area, people might think that taxes would be fairly reasonable because we are so far in the north part of the country. I made an effort to establish the taxes existing in the Meadow Lake area and compared them to Regina – and I didn't take them one mile out of town; I didn't take them 20 miles out of town: I took them from one area surrounding the town of Meadow Lake and the area surrounding the city of Regina. I took these on the basis of five miles which I figure is the normal average distance for serving each community, and this is what I find. I find that on a quarter-section of farm land five miles out of Meadow Lake with an assessment of \$3,100, the land tax was \$62; the school tax, \$105.50; Union hospital tax, \$5.89; special levy, \$3.10 – making a total tax of \$179.49. I might mention that this farm is not serviced by power; it is not serviced by telephone; in fact there are no buildings on the place except the granaries owned by the farmer in which he has his grain stored. In the other direction I only got the figures on three-quarters of land, also five miles out of Meadow Lake, and this on the edge of a muskeg. As some of the Ministers might know, you don't have to go too far in some directions from Meadow Lake to hit the muskeg. The taxes on three quarter-sections of land were \$585 even money. These figures were taken where no gravel roads were servicing the places, and the closest one of these farms was at least four miles from a gravelled highway.

I want to compare this with figures secured from the rural Municipality of Sherwood, which is situated right here in the city of Regina, also applying to land about five miles surrounding Regina. These figures cover averages of quarter-section farms in four directions from the city of Regina. This is what the average is – the odd cents are taken off because of averages, so I took even figures: the land tax was \$47; the school tax was \$47.50, compared to \$108.50; rural telephones, \$4.50; total tax, \$99.

Now, Mr. Speaker, these figures would show that the average tax surrounding Meadow Lake is approximately \$80 a quarter-section higher than those within the same distance of the city of Regina, and surely nobody would say that Meadow lake has better educational facilities than Regina. I might also mention that these farms definitely haven't got the services, the general services, that are available to the farmers residing within five miles of the city of Regina.

I would like to point out what this burden of taxation has done to those northern areas. As has been pointed out here before (and I am referring now to the uncollected arrears of school taxes in school units, for the year 1955) Meadow Lake has shown a steady increase in school tax arrears until now; it is \$309,000.60 in arrears. I notice Nipawin, which has been mentioned previously in the House, is \$497,000.60 and I also notice Wadena, \$487,000.80. Now, these arrears of taxes are school tax arrears which have

become increasingly more, for I notice here that, in 1953, the total arrears for 56 units was \$4,913,000 and some odd dollars, and at December 31, 1955, this had increased by \$5 million to \$9,981,000. the percentage increase from 1953 to 1954 was 53 per cent, and from 1953 to 1955 it was 103 per cent. These taxes are only to the end of the year 1955, and I would like to point out to this Assembly, at this time, that I am quite sure there will be at least another two million dollars in arrears when we get the result of the 1956 tax. The Minister may have these figures, but I haven't them, so I can't speak on that point.

In speaking about schools, I was glad to hear the Minister of Education give us quite a talk on what the Department is going to do. However, last night, when he was trying to outline his formula, to me in particular, I must admit I was very amazed and bewildered by this formula. I did try to copy it down, Mr. Speaker, but I couldn't write fast enough because the hon. Minister is a very fluent speaker. As I understand the Larger School Unit, the objective when we formed the larger school unit was an equalization of educational facilities with equalization of educational costs throughout the province. I did understand that that was the objective of the larger unit. Whether this is being carried out in effect or not is to be seen.

I noticed in various parts of the province that we have posters out with big headlines saying "Hold That Teacher" and knowing the conditions existing in the schools, particularly in Meadow Lake. I have come to the conclusion that something must be done to remedy these conditions or we won't be able to hold our teachers with anything less than a ball and chain. Considering these adverse conditions, I must admit, Mr. Speaker, that we have been very fortunate in the type of teachers and the class of teachers that we have had in Meadow Lake, and I might say that we have been very fortunate indeed in the results obtained by our teaching staff, and that the teachers were definitely of the very highest calibre.

I am afraid that I am running out of time here, Mr. Speaker, I don't know whether to continue . . .

**Hon. C.M. Fines (Provincial Treasurer):** — Go ahead, go ahead! You are doing fine!

**Mr. Weber:** — Thanks very much. In Meadow Lake, I would like to point out we have thirty-five classrooms which are divided into twenty-three public school and twelve highway school classrooms. The total enrolment in the public school is 676 pupils; in the high school it is 278 pupils; a grand total of 954 pupils. We have a teaching staff there which consists of 24 public school teachers and 12 high school teachers. I am going to rush through these figures because my time is up now, and it is only by the grace of the Provincial Treasurer that I am speaking. But I would like to point these things out because I think they are important to this Assembly, and therefore, I am going to continue on with the Minister's permission, which he has graciously acknowledged.

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I would like to point out that 69 pupils are conveyed by school bus into Meadow Lake. There are 118 teachers in the larger unit. I might mention at this time that, in trying to get the information from the Meadow Lake Unit, I phoned to Meadow Lake to find out what the increased grants were going to be this year, and I was informed that they were going to be \$48,000. That is the increased grant for this year.

I find, too, that the teachers have held a meeting, and they have asked for a \$90,000 increase in wages. The Unit Board haven't settled with them on this basis. They hope to settle somewhere between \$70,000 and \$80,000. Now, that is practically double what our total increased grant is at Meadow Lake. However, the teachers, in my opinion, are not asking for something that they are not entitled to, and as far as their demand for wages is concerned, I have no criticism whatsoever. The only thing I am trying to point out to the Minister of Education and to this Assembly is the problems that face us in Meadow Lake.

Our high school is a new modern building that was recently constructed, and I believe it is one of the finest in the province. I must also say that the results of the teaching staffing that high school have been really marvellous, and we are definitely proud of our high school.

We have two new, or I should perhaps say, practically new public schools. These two schools take care of only 525 pupils and the balance of 151 pupils are attending six of the most dilapidated classrooms to be found anywhere. four of the classrooms are located in two old temporary buildings which are located behind the town Hall. The playground for the children is a quarter of a block which these two schoolrooms take up, plus the buildings that are on that quarter block. The buildings are old and they are sitting on the ground. They are not even on a foundation. Old barrel heaters are used for heating them, and chunks of wood about that length are piled up in their schoolrooms to keep the place warm for these children; and I might say, at the best, they are very unsanitary and regular firetraps. The children attending those schools have to use outdoor toilet facilities. I also would like to mention that the children attending these schools are the little tots from grade one to grade four. I happen to have two children in these classrooms; one is in grade two and the other is in grade four, and neither one of these children has ever had the opportunity of attending any of our newer classrooms in the town of Meadow Lake.

We also have another old building that used to be the old high school. This building was condemned 15 years ago as being unsafe. However, it has been in continuous use since the time it was condemned. This building is also heated by a barrel stove and a condemned furnace. Now, these are just some of the situations which are existing in our district.

I picked up a paper the other day here and I see a picture of Creelman, and it says, "Schools closed." They have pictures of three different schools at Creelman that are closed, and I also note the type of furnace and heating equipment they had in those schools. I might mention

that if the people of Creelman could see the Meadow Lake school, they would be happy as could be that they had the type of school that they had. Looking at these pictures I see that these schools are on foundations, smartly painted, and they are looking not too badly; but the buildings in Meadow Lake are definitely not in condition like this.

I would also like to point out at this time that the mill rate at Meadow Lake is 40 mills for school purposes alone, and in the rural area it is 35 mills for farm land and, as you can see by the previous figures I had on farm land, the assessment is not too low there, either, because a quarter of section of land, according to the figures I gave previously, was assessed at \$3,100 five miles out of Meadow Lake.

But, it is not at all bad, Mr. Speaker. I do want to say that the Department of Education is doing a job and doing a pretty fair job. It is just a little bit too slow to suit some of us, to put it quite plainly. They are building a new ten-room school in Meadow Lake, and I believe it will be ready for the fall term in 1957, and this looks as though it is going to be just as modern a school as any in the province. The only thing I am worried about is whether that school will be big enough to accommodate the additional children that are going to be forced to come into that school. I might mention that they will have to take care of six classrooms which are now in existence – they are checking me up on my time. I suppose I should stop pretty soon. But I haven't got much more to say now, Mr. Speaker, so with your permission, I will continue.

We are contemplating bringing in several more rural areas by bus into Meadow Lake to attend school. Included with this is the Indian School on the Indian Reserve just adjacent to Meadow Lake. I feel that the problem of education for Indian children is also a big problem and opinions would indicate that demand is increasing for public school education for the Indian youths, for only in that way can the Indian become adapted to the ways of his white brothers.

I have a few more things to say, but I think I will quite for now, Mr. Speaker. The only thing I would like to hastily mention is that I was very glad to note in the Budget the Provincial Treasurer has removed the Education and Hospitalization Tax on farm fuels. I was pressing for that for a long time, and I was glad to see that he is doing this. However, in doing so he also added one cent tax on gasoline, and it appears to me something like a father giving his boy a nickel and then going over and taking ten cents out of his piggy bank to balance the account. I would like to point out to the Minister at this time that 25 per cent of the gasoline tax today, or 25 per cent of the cost of gasoline today, is taxes.

In looking over the budget, Mr. Speaker, I find very little in it to indicate that something will be done by this Government to alleviate the conditions in my particular constituency and not too much for the rest of the province of Saskatchewan; therefore I cannot support the Budget. However, before I sit down, Mr. Speaker, I do wish to thank the Provincial Treasurer for the additional time he allotted to me.

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**Mr. Speaker:** — It is my duty to inform the Assembly that the hon. Provincial Treasurer (Mr. Fines) is about to close the Debate. Anyone wishing to speak must do so now.

**Hon. C.M. Fines (Provincial Treasurer):** — My hon. friend from Meadow Lake needn't thank me at all. He certainly was getting many more votes for the Government than I could have got by the very glowing reports he was giving of what is being done to assist in his country.

For example, he didn't quite say it, but if he had gone all the way, he would have pointed out that under the new school grants formula, we shall now be paying 75 per cent of the entire cost of education in the Meadow lake Larger Unit; that we shall be paying grants amounting to over \$3,000 for every teach in the Meadow lake Larger Unit. In addition to that, we shall be paying capital grants to this beautiful new school that he was speaking of, amounting to approximately 70 per cent of the cost of that new school. May I say, too, Mr. Speaker, that if he had gone a little further, he would have pointed out that under the new grant formula, the Meadow Lake Unit will be getting the equivalent of 56 mills on the dollar in tax. So I think they are doing very well, and I am amazed that he would wind up his speech today by saying that he cannot support that kind of assistance for his constituency.

Now, Mr. Speaker, probably while we are dealing with the hon. member, we should also make reference to what he said when he made the comparison between what is being paid in Regina and Meadow Lake. I think that is one of the best arguments that could possibly be used for the whole system of equalization grants we use, and also for the larger unit of administration which this Government has constantly encouraged.

I would like to thank all those who have taken part in the debate. I would like to thank particularly, those who did me the honour, on the Opposition side, of proving what I said in the Budget Address was correct by quoting it. I am sure that we have heard that Budget speech read now, in part, at least three or four times. I want to thank the hon. members who were able to find at least something in it with which they agreed.

May I say that my job is very difficult today to reply to any of the arguments because, frankly, there has been very little discussion on the Budget. We have heard a great deal of discussion on my other things, but very little on the budget itself.

There are, however, one or two criticisms that have been made. For instance, the 'extravagance and the waste' the hon. member for Saltcoats (Mr. Loptson) yesterday talked about it; the 'high cost of administration'. The hon. member for Redberry (Mr. Korchinski) talked about the high cost and that we are overpaying our civil servants to the extent that they can line up here with nice big Cadillac cars. I am sure the civil servants will

be interested to know that the hon. member feels that they are being overpaid to the extent that they can drive these beautiful cars.

I checked one of the returns tabled here the other day, on staffs. I find, for example, that at April 1, 1944, we had 326 employees for the Liquor Board. I find that today, we have only 302, and yet in 1945-44, the volume of business done was \$12 million, while today it is \$35 million: three times the volume of business with considerably less staff, and yet they talk about wages being too high. Mr. Speaker, the records are full of instances of that kind.

We have heard a great deal about debt during the debate. I am sorry the hon. member for Pelly (Mr. Barrie) and the hon. member for Rosthern (Mr. Elias) got into this, until such time as they have had an opportunity to properly study this question a little bit and I am sure they would not have made such statements. We have, of course, in days gone by, had statements made by others. I have given up trying to convince them; but, I would have thought my hon. friend from Rosthern would have been very easily convinced because I have here in my hand the Budget Addresses of Mr. Bennett in British Columbia for 1956 and for 1957. What do I find here? Well, first of all, how does he get his debt? Turn to page 8 and there we have it. On December 31 there is due and payable by direct obligations, registered stock and debentures, treasury bills, the total of the gross debt on that date was \$214,487,000. To return to the net public debts there are deducted the net self-supporting or self-liquidating debt incurred on behalf of and repayable by the British Columbia Power Corporation, and Provincial sinking funds, a total of \$88,500,000, leaving a net debt as of December 31 of \$125,000,000. That is identical with what we are doing here. Now, my hon. friend says we shouldn't do it that way, but that all this debt that is being incurred for the Power Corporation, for the Telephone Corporation, and for other Corporations, should all be counted. What do they do in British Columbia? Yes, incidentally, I have here a very interesting statement. This was put out by the Social Credit candidate for Moosomin in the last election in which he pointed out that British Columbia's debt under a coalition government increased about \$70 million between 1948 and 1952. The Social Credit Government, which was elected in 1952, decreased the debt by \$50 million in two years. Well, Mr. Speaker, how did they do it?

First of all, they used very odd dates. They take February 14, 1952, and August 2, 1954. Why use such odd dates? Anyone can select a date during a fiscal year when the debt is low and then, of course, select a previous date in an early fiscal year when the debt is higher, and make a pretty good story out of it.

You know, everybody claims they have got a new way of determining debt. Anything now for highways they put into a new thing which they call "Toll Highways and Bridges Authority:", and they go out and borrow the money. The Government doesn't borrow it; the Toll Bridges and Highways

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Authority goes out and borrows the money, so it now becomes a guaranteed debt, a contingent liability. Contingent liabilities in British Columbia, under Social Credit, went up from \$30 million at the end of the fiscal year 1952, to over \$90 million in 1954.

Now, my hon. friend from Rosthern says the method I am using for determining debt is all wrong. All right, let's apply it to British Columbia. Let's take the system that he says we should use, and see what would happen in British Columbia. On December 31, 1955, contingent liabilities were \$138,707,000; the gross debt \$214,293,000. Add them together and you get \$353,000,000. Deducting sinking funds of \$59,000,000, you arrive at a total debt of \$293,000,000. This is the way the hon. member for Rosthern wants it.

Now, at December 31, 1956, what do we find? There, contingent liabilities had just upped to \$223,000,000, and gross debt was \$202,000,000, making a total of \$426,000,000. Sinking funds are still \$59,000,000. Take that off and you get \$366,000,000, or an increase in the debt of \$73,000,00. And yet, the Premier of British Columbia gets up and announced he had reduced his debt in the last year. Of course, I agree with the Provincial Treasurer and Premier of British Columbia. He is quite right in the system he uses, but I am sure that he would resent any hon. member coming in here and saying that the method we are using is all wrong.

The same is true for the hon. member for Pelly when he criticized the way in which we determine the debt. "A debt is a debt" he says. Oh, it is a lovely thing! A debt is a debt; it doesn't matter what it is for. Well, there we have our friend from Arm River (Mr. Danielson). He agrees.

**Mr. Danielson (Arm River):** — Sure!

**Hon. Mr. Fines:** — All right! Here is somebody that I am sure knows a great deal more than any member sitting on this side. The Rt. Hon. C.A. Dunning. What did he say? Well, speaking in the Budget Debate in the seat I am speaking from right now Mr. Dunning said, in 1919:

"Well, Mr. Speaker, what about this awful debt? What is it actually? On December 31, 1918, the gross public debt of the Province amounted to \$29,635,000; \$39.83 for each individual in the province. In considering the matter, however, the fact that a large portion of this debt is self-sustaining must be considered. That is to say the taxpayer of the province, as such, does not have to pay the interest on it. That portion of the public debt which is self-sustaining amounts to no less a sum than

\$13,159,000. That amount includes investments in the Public Telephone System. The taxpayer of the province doesn't pay interest on the amount invested in Public Telephone System. The public who use it pay that interest in the form of telephone rentals."

Then he goes on to say that the same can be said about the loans to Co-op. Elevators and the Farm Loan Board: "These are the principal items in our self-sustaining debt, the balance being the net public debt — \$60,476,000 is our investment in our provincial plan consisting of these Parliament Buildings, Court Houses, University, Mental Hospitals, Land Titles Offices, Broads and Bridges."

I could go on, Mr. Speaker. I have the Budget Addresses for every year, and Mr. Dunning made that same statement year after year — 1920, 1921, 1922, 1923, 1924, and 1925. In 1925, he said:

"Our public debt is also a cause of much ranting by some people."

And he went on to ridicule them for not knowing the difference between net debt and gross debt.

**Mr. Danielson:** — You started in 1951.

**Hon. Mr. Fines:** — Then we have Mr. Patterson in 1928. When he introduced his Budget that year, he said;

"The public debt of the Province on December 31, 1928, stood at \$58,400,000. Of this amount, \$24,000,000 is self-sustaining, and consequently, the net debt is \$33,890,000."

**Mr. Danielson:** — Dunning did it for the same reason that you did it.

**Hon. Mr. Fines:** — But why go on! I have got these books; every budget address. Not only that, Mr. Speaker, but I can go to authorities living today. I can go for example to the next province, to the Hon. Ronald D. Turner, a Liberal Provincial Treasurer, and what does he say? Here, he gives his statement on page 37:

"Total gross debt, March 31, 1956, \$196,729,000. Gross debt for self-sustaining utilities, telephone system, power commission, hydro-electric, \$141,250,000. Gross non-utility debt \$55,478,000; less sinking funds \$27,900,000; leaving a net dead-weight debt of \$27½ million."

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So right in the province of Manitoba, a Liberal Government does it. Go to Ontario, the same thing. In fact, all over Canada, this is the common practice. I would therefore suggest to these new members that they study what is going on in other provinces, study what has gone on in this province in years gone by, pay no attention to these people who have a phobia on this, and then – they can't go far wrong.

I also have the Federal accounts, and in the Federal Parliament exactly the same thing is done. There they take the gross debt and they deduct from it all the advances made to the C.N.R. and to the Trans-Canada and to (I think it is) some 29 Crown Corporations the Federal Government has. All of those are deductible first, and then after that is done they deduct their sinking funds, and the balance is the net debt of Canada. So why argue? Mr. Speaker, I think I have said the last word that I shall ever say in this House on this subject. I have tried every year now, and if I haven't been able to convince the hon. members, I am afraid there is very little that can be said.

The hon. member for Rosthern says that my debt report was deceptive. If he feels that way, after what I have said, I can't do anything about it. But I am sure that when the hon. member, the other day, made the statement of what Alberta, British Columbia – probably I should take his exact words so as not to misinterpret it. He says:

“When people are under Social Credit administration, instead of the Government turning its efforts to socialized planning, they administer on behalf of the people, and recognize in practice, the individual as a shareholder of the wealth of the province.”

And then he goes on:

“The cancellation of the first \$28 on property taxes in B.C., and the oil and gas dividends on royalties are examples of it.”

There, Mr. Speaker, is where we differ from Social Credit. \$28 to every person who owns a home in British Columbia, what does that mean? Rich and poor alike get it.

**Mr. Kramer (The Battlefords):** — The millionaire.

**Hon. Mr. Fines:** — At the same time, they have a 5 per cent sales tax in that province. Surely, there are many things yet that need to be done in the province of British Columbia.

The same is true in Alberta, where \$11 million is to be

divided up among the people of that province, 500,000 of them. I think \$22 is a very appropriate amount.

This is 1957. It was 22 years ago that the people of Albert were promised \$25 every month; \$300 per year. Instead of that, after 22 years they get not \$300 but \$22,. and by the time the Federal Government gets their income tax off it, they will probably get about \$8 million out of this \$11 million. And again, what about the people of Alberta? In this province, our hospitalization plan provides that when people go into hospital, they don't have to pay anything. In Alberta, they pay \$1 a day, and if they have an agreement which includes the extras, then every individual must pay \$2 a day. Who pays the rest? The municipalities pay 50 per cent of the balance, with the Government paying the other half. It is no wonder the municipalities in Alberta re in the desperate financial plight they are at the present time. That is one of the reasons the taxes are so high . . .

**Mr. Nicholson (Nipawin):** — What taxes?

**Hon. Mr. Fines:** — The municipal taxes. The vast amount of money that has to be paid by the people or by the municipalities for people in the hospitals. If the Government of Alberta has \$11 million to give away, why couldn't they give it to the municipalities to relieve that necessity of paying 50 per cent of the cost of hospitalization? Why couldn't they have relieved the municipalities of having to pay 20 per cent of the cost of mothers' allowance. The only province in the Dominion of Canada that charges the municipality for a portion of the cost of mothers' allowance is the Province of Alberta. So, when my hon. friend says they have a humanitarian government there, I would like to say that the actions certainly do not speak that way.

We all know that in Saskatchewan property taxes are much lower than in Alberta. Last year, there was an advertisement went out in the papers. "Why does Saskatchewan with a Budget of \$78 million have a reputation throughout Canada for providing higher standards of care for T.B. and Cancer patients than Alberta with a budget of \$223 million?" then it goes on, they want to know, "Why is the Municipal Debt of Alberta \$187 million when the Municipal Debt in Saskatchewan is only \$50 million?" Mr. Speaker, that is not CCF propaganda. That was an advertisement which was placed in the 'Calgary Herald' by the Alberta Liberal Association in the last election!

Not only that, but in that same ad, they point out that taxes per capita in Alberta are \$54.72 whereas the municipal taxes per capital in Saskatchewan are only \$51.09. The Liberal Party, in their ad. pointed out that the taxes are lower in Saskatchewan than in Alberta.

**Mr. Nicholson:** — Mr. Speaker, just for a moment . . .

**Hon. Mr. Fines:** — Yes, sorry I did not see you on your feet.

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**Mr. Nicholson:** — Was the hon. Minister referring to property taxes being higher in Alberta than in Saskatchewan?

**Hon. Mr. Fines:** — Yes, I am referring to an ad. which was placed in the 'Calgary Herald' by the Alberta Liberal Association, pointing out that property taxes in Alberta were high than the property taxes in Saskatchewan per capita.

**Mr. Nicholson:** — May I have. . .

**Mr. Speaker:** — Order! Order!

**Hon. Mr. Fines:** — Now, just a minute. I have answered your question. I believe that the figures given by the Alberta Liberal Association are certainly correct. I point out, Mr. Speaker, just to get this on the record. It isn't often I can say the Liberal Party is right, but I think in this case they were. Mr. Speaker, I am not going to cross to the other side, even though I do concede they were right on this occasion.

**Premier Douglas:** — They must be right once in a while!

**Hon. Mr. Fines:** — Oh yes, they can't miss all the time. Now, Mr. Speaker, what are the facts? Well, let's take a Liberal province, too; we may as well take the three of them while we are at it. In Manitoba, the general municipal tax levy in 1954 — I am sorry I have to go back to 1954, and that I can't get the 1955 figures. In 1954, in Manitoba the levy was \$7,995,000 in Saskatchewan, \$14,021,000; in Alberta, \$10,138,000. Now, take the number of acres — and this is taken right from the Report of the Department of Municipal Affairs in each province; this is taxable land. The tax per acre in Manitoba was 49.17 cents; in Saskatchewan, 21.99 cents; in Alberta, 27.73 cents. Take the school tax: Manitoba, 33.80 cents; Saskatchewan, 25 cents; Alberta, 39.12 cents. Add them together, and what do we get? The total tax (municipal and school taxes) per acre in Manitoba was 82.97 cents; in Saskatchewan, 46.98 cents, and in Alberta, 66.85 cents.

**Mr. Nicholson:** — What total tax is this?

**Hon. Mr. Fines:** — This is the total of the general municipal tax levy and the school tax levy.

In addition to that, however, there are other taxes. for instance, we have drainage, telephone, hail, health services, union hospitals. If we add those, what do we find? In Manitoba it was 83.88 cents per acre; in Alberta, 71.77 cents per acre; and in Saskatchewan, 54.22 cents per acre. So these figures compare favourable with the figures used by the Liberal Party in Alberta in the election campaign there.

Now, Mr. Speaker, there is a great deal more one could say but,

after all, I can only reply to statements that have been made, and unless these people make statements, I can't reply; I'm not in a position to. There is really nothing more than I can say today, in closing, except this:

This Budget makes provision for providing educational grants as high as 75 per cent in the constituency of Meadow Lake.

This Budget makes provision for the largest highway program in the history of our province.

This Budget makes provision for the grid road system which is becoming so popular with our municipalities throughout Saskatchewan.

This Budget makes provision for the province taking over 75 per cent of the total cost of social aid in our municipalities.

And because this Budget makes provision for greater services, and at the same time does something I want all hon. members opposite to realize for some time now the Farmers' Union, the Wheat Pool, CCF organizations, have all been asking the Government to wipe out this 3 per cent Education Tax on farm fuels. This Budget has done it.

Mr. Speaker, I am going to be interested to watch our hon. friends opposite to see how many of them are prepared to vote against this tax being eliminated, to see how many of them are going to vote against all these new services for the people of Saskatchewan. I am sure the people of Saskatchewan will await with interest what they do.

The question being put on the Budget motion it was agreed to on division by 34 votes against 17, and, accordingly, the House resolved itself into the Committee of Supply.

The Assembly adjourned at 5.30 o'clock p.m.