

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Thirteenth Legislature
4th Day

Tuesday, February 18, 1958

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

SPEECH FROM THE THRONE

DEBATE ON ADDRESS-IN-REPLY

The House resumed from Monday, February 17, 1958, the adjourned debate on the proposed motion of Mr. Davies (Moose Jaw City) for the Address-in-Reply to the Speech from the Throne.

Mr. McDonald (Leader of the Official Opposition): — Mr. Speaker, I am glad to welcome the university students who are present in this Chamber today. I hope that your stay will be an enjoyable one. It is unfortunate that you are going to have to listen to me, this afternoon, and to the Premier, this evening.

We want to wish you well in your work at the University, and I am sure we all hope that you will all be successful in your endeavours there and in your final exams, which will be before you in a few short weeks. We also hope those of you who will be graduating after this term will seek to give the benefits of your increased knowledge to the province of Saskatchewan. We also hope to have the opportunity of seeing all of you at the banquet, this evening.

Yesterday, when I said a word or two in this same debate, I mentioned the share of education costs that were being borne by the Government of the province of Saskatchewan and I mentioned that the share was the lowest in Canada. At that time someone on the other side of the House (I am not sure who it was) challenged me to produce figures to prove that point. Well, I have the figures in my hand. Now it is most difficult to prove anything that happened last year, because of the fact that the figures are not available from the Dominion Bureau of Statistics, and, of course, the Annual Report of the Department of Education has not been made available to the members yet. Thus the last year for which we have complete figures from the Dominion Bureau of Statistics would be for the fiscal year 1953-54; and for that year, I would like to point out again that the share paid by the Government of the province of Saskatchewan to education is the lowest in the Dominion of Canada. These figures are taken from the Annual Report

February 18, 1958

of the Department of Education and from D.B.S. figures. In the year 1953-54, the province of Saskatchewan paid approximately 26.6 per cent of the total cost of education. By 1955, this had increased to 30.5 per cent, and there were additional sums of money voted to education in 1956-57; but I would imagine that the percentage of the total cost of education has remained somewhere between 26 and 30 per cent of the cost of education. If this is not the lowest in Canada today then it is among the lowest, and again I want to refer those people, who question my figures, either to the D.B.S. or the Annual Reports of the Department of Education as tabled in this Legislature.

Yesterday I also mentioned one or two things about agriculture in Saskatchewan and I believe I mentioned that the Speech from the Throne only made passing reference to agriculture. As a matter of fact the Speech from the Throne said this:

"The most serious threat to agricultural solvency is rising farm costs and falling farm prices."

There is no suggestion in the Speech from the Throne that we, as a province, or that the Provincial Government of this province, can do anything about this problem. Apparently they are prepared to sit idly by and let this condition prevail as it has prevailed over the past several years — it has been mentioned in speeches from the Throne over the last several years.

I also attempted to point out that there were some things we feel that the Government of Saskatchewan ought to be doing to help agriculture in the province of Saskatchewan. Today, I want to point out some of the things that the present Government has been guilty of since their term of office began — some of the things they have implemented that have increased the cost of production, as far as the farmers of Saskatchewan are concerned.

First of all, they have caused land taxes to increase to the point where they are the highest of any place in the Dominion of Canada. I have here in my hand a copy of a brief that was presented to the Department of Education here in the province of Saskatchewan by the School Trustees' Association. On Page 5 of this report you will find a table giving you the rates of municipal taxes on real property in Canada. You will find that Saskatchewan is paying \$68.02 per capita in taxation annually, which is the highest figure for the whole of the Dominion of Canada. Well, of course, this not only affects farmers; it affects all of our people who are paying taxes on real property.

Another move of this Government has been to increase the gasoline tax by some 71 per cent since they came into office. Another increase directly to our farmers is the increase in farm truck licences. In some instances it has been increased as much as 300 per cent. Then we have another tax (you might call it), and that is the compulsory insurance premium on farm trucks. We have the new mineral tax of three cents an acre on the farmer's land. We have an increase in the sales tax, or the Education and Hospitalization Tax, from two to three per cent. We have increased dues on lumber, fence posts and virtually all the products of our forests of which many of our farmers use a considerable quantity over a twelve-month period.

Then we have the Government, supposed to be the friend of the farmer, which has imposed a large part of the capital cost of constructing rural telephones or rural electrification lines on to the farmers of this province. Connecting fees for telephones have been increased by 100 per cent. One could go on most of the afternoon, telling of instances whereby this Government has been responsible for increasing costs to the farmers of this province. And, rather than facing up to this problem, they make bare reference to it in the Speech from the Throne, and indicate that this situation exists, but there seems to be little or nothing that this Government is prepared to do about it.

Several times over the past two years, the Government of Saskatchewan (and the Premier and the Provincial Treasurer are more responsible than anyone else, as far as I know) has endeavoured to tell the people of Saskatchewan that they are being so generous and so fair with our municipal governments and local governing bodies. At a meeting in Saskatoon in December of 1956, a C.C.F. political meeting, the Provincial Treasurer was the guest speaker, and he said this:

"The Provincial Government, since 1944, has given increasing assistance to the municipalities, which amounts to more yearly than the Federal tax revenue subsidy."

Then he presented a list of so-called assistance which totalled about \$31 million. Then you will recall that, back at the Provincial-Local Government Conference of a little more than a year ago, this same line was adopted at that Conference, and the Provincial Treasurer again presented a document to that Conference and it was entitled: "Provincial aid to Local Governments." Included in that document was a list of expenditures, that he totalled up to \$26 million, as so-called aid to local governments. In addition to that, he added \$11 million, which is the Province's share of the hospitalization plan; and he came up with a total of \$37 million.

February 18, 1958

Now, Mr. Speaker, if the Provincial Government of Saskatchewan considers all of these grants they are making to local governments, if they think for one moment that they are accepting some municipal responsibility, then I think they should all get a copy of The British North America Act and read it. They should go back and read some of the speeches they have made, from time to time, on public platforms and elsewhere throughout the province of Saskatchewan. Surely, we haven't arrived at the point where, for instance, education is now a municipal responsibility. Is it? Not according to the Premier, it isn't! He made a lot of speeches on education at one time and another and in one of them he said this:

"The British North America Act, which is Canada's constitution, makes education a provincial, not a municipal, responsibility."

Now the Provincial Treasurer and the Premier tell us that when any grants are paid towards education by the Government of Saskatchewan then they are relieving the municipalities of some of their responsibilities.

What about social welfare? Included in Social Welfare we have such things as social aid, old-age assistance, child welfare, disabled person's allowance, tuberculosis control, care of cancer and polio patients, preventive health services, correspondence schools, secondary highways and all the rest of it, and now these are included as municipal responsibilities according to the Government which sits on your right. Mr. Speaker, as I said yesterday, if this were the case, what would be the need of having a provincial government? We could just throw in the whole sponge and say to the municipalities, "you take over".

Mr. Speaker, these are not municipal responsibilities. They are responsibilities of the Provincial Government of this province and of any other province in Canada, and past governments of this province and of every province in the Dominion of Canada have accepted that fact. Certainly in the province of Saskatchewan, and elsewhere in Canada, from time to time, provincial governments have called on local governments to help than administer such problems as I have just outlined to you, for the simple reason that, in the municipalities, they are much closer to the people than we are here, as a provincial body.

There is one other thing I should like to say about agriculture and that relates to farm prices. Again, the Provincial Government seems to think there is nothing it can do, or that it has no responsibility as far as farm prices are concerned. I say that every

governing body some responsibility as far as farm prices are concerned. One of the reasons we have difficulty here in Saskatchewan, in getting a fair price for many of the agricultural products we produce is the fact that we have no storage within the province of Saskatchewan to take care of those products. I think I mentioned one time, speaking in this Legislature that probably it might be well for the Provincial Government to invest some of their millions in storage plants in thin province, rather than investing than in some of the enterprises that have gone broke and that have cost the people and the treasury of this province considerable sums of money.

Another thing we as a Provincial Government ought to be taking look at is farm credit. I have always maintained that there is a need, as far as agriculture is concerned, for three types of credit. We need short-term credit, intermediate-term credit and long-term credit. In Canada, the needs of our farmers, as far as short-term credit is concerned, have been to a large extent taken care of by The Farm Improvement Loans Act. I think everyone realizes what we mean by short-term credits. It is credit that an established farmer needs to probably buy new machinery or to improve his buildings or to improve the property he now owns. Under The Farm Improvement Loans Act, that is what farmers have been able to do throughout not only Saskatchewan, but other parts of Canada. In the province of Saskatchewan, under The Farm Improvement Loans Act, approximately \$200 million has been put into circulation, and as we all know the interest rate on that money is some five per cent.

In the 'intermediate-term credit' field, under Federal legislation, the Canadian Farm Loan Board has gone a long way toward solving this problem. I sometimes think that the management of the Canadian Farm Loan Board has been a little stringent. I think there are cases where people who ought to have been able to get a loan, were unable to do so. But again, the Board has filled a great vacuum that existed here in the province of Saskatchewan, and to date it has loaned about \$39 1/2 million to farmers in Saskatchewan at the same interest rate, namely five per cent. But again, the Canadian Farm Loan Board, or intermediate-tem loans, only fill part of the need of agriculture. Farmers who are already established are able to borrow money under this Act to enlarge their holdings, but this Act never was designed, and has never been suited for loaning money to the young farmer or to anyone who wanted to begin farming. The only people who have been able to obtain that type of credit are those who would come under The Veterans' Land Act and there, I think, we had an example of what can be done for young people who want to enter the farming profession today. Under the Veterans' Land Act, some \$40 million has been loaned to veterans in the province of Saskatchewan at an interest rate of 3 1/2 per cent.

February 18, 1958

I believe that the Government of Saskatchewan ought to have a program whereby they can lend money to prospective young farmers of this province. I have in my hand a submission to the Government of Saskatchewan by the Saskatchewan Farmers' Union, and one of the first recommendations in this submission is for long-term credit. Apparently the Farmers' Union are of the same opinion as myself, and that is that the Government of this province, if the had any faith in agriculture, or any concern for agriculture would get off their haunches and do something about it. There are three legislatures in Canada, I know of, that now have provincial legislation that makes it possible for the young farmer, or the new farmer, to borrow money over a long period of years at a low interest rate.

In the province of Quebec, for instance, one could borrow 75 per cent of the appraised value of farm property; the repayment period is some 39 1/2 years; the interest rate is 2 1/2 per cent. It is an excellent plan. We all realize that, if the interest rate is some 2 1/2 per cent, the Government of the province of Quebec must be subsidizing the money that they put into this loan plan in Quebec. In Ontario, 80 per cent of the appraised value of the land can be borrowed by the young farmers. There is a repayment period of 25 years, with an interest rate of 4 1/2 per cent. In the province of Alberta, one can borrow up to 40 per cent of appraised value with a 20-year period for repaying the loan, with an interest rate of 4 1/2 per cent. In Alberta the maximum amount in the fund to be loaned out to prospective young farmers is some \$2 million; and the maximum loan is \$7,500 per farmer. I do not believe the legislation in Alberta goes far enough, but it has certainly gone a lot farther than any thinking in Saskatchewan let alone legislation, as far as the Government is concerned. If we have money to loan to endeavour to attract industry to our province, why on earth haven't we money to loan to the biggest industry in Saskatchewan at the moment, and the biggest industry this province will ever have — and that is agriculture?

Opposition Members: — Hear, Hear!

Mr. McDonald: — Have you no faith in the farmers?

Mr. Lopton: — No, they haven't.

Mr. McDonald: — Are you prepared to see the young people of this province have to leave Saskatchewan — young men and young women, who if given the opportunity, would be farmers in this province? Do you feel they should not be given that opportunity, and that we should be chasing them out to other parts of Canada? That is exactly what is happening; and the Premier, himself, has said: "Well, maybe it isn't a bad idea if some of them

leave the farms and go to the cities." The farm family has made Saskatchewan what it is today, and yet the Premier scorns at the farm family in this province.

One other thing I would mention at this time with regard to agriculture, and again it is mentioned in the submission of the Saskatchewan Farmers' Union. I refer to crop insurance. The Provincial Treasurer is in charge of the insurance office and he is always telling us about all the profits he makes. Well I wonder why he isn't prepared to put on a little crop insurance. We have agitation from all farm organizations, today, for some sort of a comprehensive crop insurance plan. My belief is that to have a workable crop insurance plan in Canada, it should be on a national scale right across the country! But I think it is obvious to all of us that we are not going to get any national plan until such time as the provinces are prepared to take the lead. As I mentioned yesterday, time and time again the province of Saskatchewan has taken the lead in legislation that has been followed by other provinces of Canada. Why couldn't we give the lead as far as crop insurance is concerned in Saskatchewan? I think we can, and I think that, if the Government of this province has any faith in agriculture, or any desire to see it prosper, they should be prepared to take the lead.

I noticed in the report of the convention of the Canadian Federation of Agriculture, meeting in Montreal last January, they asked for extension of farm credit; they asked for crop insurance, and they asked for bigger and better programs as far as soil and water conservation are concerned. Speaking of oil and water conservation, we have a problem in Saskatchewan that comes under water and soil conservation. What are we doing about it? We are doing some work, yes; but the one place where we are falling down, Mr. Speaker, is that we are not giving any help to the individual farmer to take care of his conservation and soil and water problem. I want to qualify that statement and say that we are giving some engineering assistance to our farmers; but there is no legislation in this province whereby a farmer can get the money to carry out the program he would like to carry out on his own farm. Here again, provincial governments across Canada are giving some assistance. For instance, in the province of Ontario, under the Ontario Drainage Assistance policy, as much as 75 per cent of the cost of drainage projects on an individual farm can be borrowed; as much as \$3,000 for every hundred acres of land can be borrowed to carry out drainage work. There is a four per cent interest rate. In the province of New Brunswick, in the year 1956, 174 farmers borrowed money to carry out drainage work on their own farms. I can see why we are not able to do this in Saskatchewan under the present Government, because last year, there was approximately 4 per cent of the budget used for agricultural purposes — just 4 per cent! Yet here, it is the major in-

February 18, 1958

dustry of this province, and this so-called 'friend of the farmer' government is prepared to spend 4 per cent of the total budget for agricultural purposes!

Mr. Gardiner: — Shame!

Mr. Cameron: — Lollypops!

Mr. McDonald: — Now, Mr. Speaker, I would like to turn to industrial development. We have heard a lot about industrial development over the last year or two, most of it, again emanating from the Premier in speeches that he has made here and there and elsewhere around the province. However, if one takes the trouble to turn to any relevant statistics that are available anywhere in Canada, you will find that the industrial development in Saskatchewan is not keeping pace with that of the rest of Canada. It is not keeping pace with our two neighbouring provinces which have similar economies to the province of Saskatchewan, very similar natural resources, similar climates, and, I presume, the same kind of people. So why are we lagging behind — not only behind Canada as a whole, but behind our two neighbouring provinces? Well, I think there are good reasons, and I am sure the people of Saskatchewan now realize that there are good reasons.

I want to refer (as I mentioned a moment ago) to some of the statements that have been made by members opposite with regard to industrial development. First of all, I want to refer to a speech made to the 12th Annual Convention of the Saskatchewan Board of Trade meeting in Swift Current in October, 1957. The Premier dusted off that old speech he made here about a year and a half ago, and he delivered it; and the newspapers covered it. The report of that speech appears in the 'Leader-Post' of October 24, 1957. I want to refer to some of the statements made by our Premier at that time. The first statement I want to refer to is this:

"The development of base metals in northern Saskatchewan last year alone, exceeded that of Manitoba and Alberta combined."

Mr. Cameron: — The old gag!

Mr. McDonald: — Something new has happened! Saskatchewan, last year (according to the Premier) produced more base metals than Alberta and Manitoba combined.

Well now, we want to clear one thing. As far as I can make out uranium is not classified as a base metal. I may be wrong. Some of the people who ought to know are confused as to whether it is or not; but, for the purposes of my presentation here this afternoon, I am not including uranium. I am going to deal with

the base metals of copper and zinc. Before I do that — if the Premier hadn't used the words 'last year' the statement would not have been too bad; but when he used the words 'last year' he indicated that something new had happened — Saskatchewan was now producing tremendous quantities of copper and zinc.

Hon. Mr. Walker: — Hear! Hear!

Mr. McDonald: — Base metals, copper and zinc are not produced at all in the province of Alberta, and never have been.

Mr. Danielson: — There isn't anything there.

Mr. McDonald: — I don't know whether there are any base metals in Alberta, or not. I wouldn't know.

Mr. Cameron: — They never have produced any.

Premier Douglas: — Oh yes, they have.

Mr. McDonald: — There is only one area in the three prairie provinces that produced base metals, copper and zinc, and that is on the boundary line between Manitoba and Saskatchewan — the Hudson Bay Mining and Smelting Company at Flin Flon. What are the facts? Commencing with the year 1942 — not 1956 — but 1942 — and since, the volume of these metals produced in Saskatchewan exceeded the volume produced in Manitoba. You will recall, Mr. Speaker, that the first discovery in that area was in the province of Manitoba; and they got working underground, and found that this vein ran over into Saskatchewan, and pretty soon they found that the best vein was in the province of Saskatchewan. From 1942 to this day there has been more of these two metals produced in Saskatchewan than in Manitoba.

Hon. Mr. Brockelbank: — Hooray!

Mr. McDonald: — Well, I think you should tell your Prettier the fact of this, and if he wants the authority for the figures that I am giving you, they come from the Canadian Mineral Statistics of 1886 to 1956, and the pages are 96,100, 101 and 104. I don't suppose the Minister of Mineral Resources would even have a copy of this particular document.

Let us go back and take a look at what has happened. Never, since this Government came to office, have they produced as rich copper and zinc as was produced the year before they came into office in the province of Saskatchewan. Talk about industrial development — mines: in 1943-44, there were 178 million pounds of zinc and copper produced in Saskatchewan. Remember that figure — 178 million pounds.

February 18, 1958

That dropped to a low of 116 1/2 million in 195-51. By 1954-55, we were back up to almost the figure of 1943-44 — 176 1/2 million pounds; but, last year, when this great development was going on and reached a new peak which superseded Manitoba and Alberta, do you know where we were? We produced 147 1/2 million pounds, compared to 178 million back in 1943-44. Tremendous expansion! Something new has happened!

Mr. Cameron: — Progress in reverse.

Mr. McDonald: — What about the precious metals? What about gold and silver? We have exactly the same situation. Never since this Government came to power has there been as much gold and silver produced in Saskatchewan as was produced the year before they came into power. The year they came into power there was 2,726,000 oz. of gold and silver produced in Saskatchewan, but last year, when we had really gone out through the roof (according to the Premier), we produced not quite half that amount; we produced 1,241,000 oz. If you want the authority for my figures they are from the 'Saskatchewan News' of January 7, 1958. This is a document that is prepared and published by the propaganda bureau of this Government.

Mr. Danielson: — They should put a censor on it!

Mr. McDonald: — Before we leave mining, I should say a word about uranium. We have tremendous development in the province of Saskatchewan so far as uranium is concerned. In my opinion, we have one of the finest uranium mining areas that exists anywhere in the world. Thank goodness that a federal Liberal government was wise enough to find it and to start it, and to put it into production and development.

Hon. Mr. Brockelbank: — Socialism!

Mr. Kramer: — A Crown Corporation, too!

Mr. McDonald: — Well, it certainly paid off a lot better than any provincial Crown Corporation we have had, anyway — something I could not say about most of the provincial Crown Corporations.

Mr. Cameron: — The key to success.

Mr. McDonald: — Now let us turn to manufacturing. We are continuously being reminded of all the new industries that are coming to Saskatchewan, and some C.C.F. members have been so unkind as to say; "Why these Liberals would do anything to prevent industrial development or manufacturing from coming into Saskatchewan."

Premier Douglas: — Hear! Hear!

Mr. McDonald: — Well, you know we will just do anything that is honest and right to encourage anybody to come into the province of Saskatchewan and develop our resources. We will co-operate with your Government or with any other government that wants to bring development to the province of Saskatchewan — within limits. We are not prepared to go as far as some of you people apparently have been prepared to go in the past.

Again, I want to quote from the speech of the Premier at Swift Current with regard to manufacturing. This is what he said:

"In the field of manufacturing, the Premier said that \$310 million was realized last year, which is an 83 per cent increase over ten years ago."

He said that 200,000 persons were now receiving employment through these industries.

Premier Douglas: — Too high. It should be 20,000.

Mr. McDonald: — The 200,000 figure, I presume, is a press error; I think the figure should be 20,000 and that was the figure that was used a short time later when making a broadcast over a local radio station. How he arrived at the figure of \$310 million, I don't know. The Dominion Bureau of Statistics for the same year give us a figure of \$301; but I am not going to argue whether it is \$301 or \$310, because, to all intent and purposes, it doesn't make any difference as far as my argument is concerned.

Now, if we were to take it for granted that we were producing 8.5 per cent more in the line of manufactured products since 10 years ago, that would be a great accomplishment to the industrial world and to the Government of Saskatchewan, and I would be the first to compliment them, if that were the case. But, my friend, the hon. member from Moose Jaw (Mr. Davies) yesterday kind of shot holes through the Premier's Speech at Swift Current, when he said: "You know, when you're making comparisons, you should have the constant dollar value." I agree with the member from Moose Jaw, because \$310 million today would not have been \$310 million ten years ago.

Hon. Mr. Walker: — Liberal inflation.

Mr. McDonald: — Ten years ago, what was the figure in Saskatchewan? We'll go back even more than 10 years ago. We'll

February 18, 1958

go back to 1944, and we will find that the value of manufactured articles produced in Saskatchewan in 1944 was about \$176 million. Well, if we want to use this constant dollar, then we'll get a formula and we'll take 1935 to 1939 as the base period, or equalling 100. Thus, in 1944 your base would have increased from 100 to 129.1. By 1956, it would have increased to 231.5. So we get an equation for figuring out just what \$310 million in 1956 would mean in dollar values of 1946 or 1944, and the equation is as follows:

$$\frac{\$176 \text{ million} \times \$231 \frac{1}{2} \text{ million}}{(\text{base}) 129.1}$$

We find that Saskatchewan, if they had kept pace with the manufacturing that was going on here in 1944, should have produced \$314 million in 1956 — some \$4 million more than the Premier claims we are producing, and some \$13 million more than the Dominion Bureau of Statistics claims. Well, I don't know how you can call that prosperity or progress. In constant dollar values, we are not producing as much in the manufacturing field today as we produced in 1944.

One could bring the figures up to date for this year, and you would find that, if we are to be keeping pace with the production in the manufacturing field, in 1956 it would be necessary for us to produce \$323 million worth of manufactured products in this fiscal year. I doubt very much that we will be able to do that amount out of the manufacturing industry in Saskatchewan.

Let us compare this figure of \$301 million (which is a D.B.S. figure) with what is actually happening in our two neighbouring provinces. What was the figure in Manitoba for 1956? What was the value of the manufactured products of Manitoba? Again, I say a similar economy, similar people, similar climate, similar everything, except they have not had the experience of this Socialistic plague that we have had here in Saskatchewan. The figure in Manitoba was \$667; million in Alberta, \$702 million; but in Saskatchewan, \$301 million. Great progress! I don't think you can blame the Liberals for that. There's only one party you can blame for that. There's only a segment of a party you can blame for that, and there it sits, on the right, the Government of this province.

These figures are taken from the "Preliminary Statements on Manufacturing", which is a D.B.S. document, page two, for the year 1956. They are not my figures. They are figures produced by the Dominion Bureau of Statistics, that neither the Premier of this province; nor anybody else in Canada can refute or deny.

Now, what about employees in manufacturing? Well, the Premier said that the figures should be 20,000 (and I agree with him) rather than 200,000. I am perfectly prepared to accept it as an error so far as the press or the reporter or somebody is concerned.

But what about employees? If we were going ahead by leaps and bounds and making great progress in industrial development and the manufacturing development in this province, one would think there would be considerable numbers of people employed in the manufacturing industry. Well, in 1956, and referring only to manufacturing, there were 11,768 people employed in manufacturing in Saskatchewan. In the same year, there were 42,711 employed in that industry in Manitoba. In Alberta, there were 37,571. Is it any wonder we have unemployment in Saskatchewan today? How many people were employed in the manufacturing industry in Saskatchewan the year before the gentlemen opposite came into power? 12,361. Great progress! We have progress from 1944 to 1958 to the extent that we now employ 11,768 compared to 12,361 in 1944. And they call that progress!

Mr. Cameron: — Progress in reverse.

Mr. McDonald: — Now we've used these figures before, and the Premier has complained about it, and I think he was going to complain just now, and then he changed his mind. He has said . . .

Premier Douglas: — I'll complain just as much as ever.

Mr. McDonald: — . . . you shouldn't just consider manufacturing. You should broaden the base and take in all the branches of industrial development. Let's do that. Okay, we'll take a look at it that way. We'll take a look at all the people employed in the nine leading industries, including forestry, mining, manufacturing, construction, transportation, public utilities, trade, finance, including insurance, and the services. Surely that's a big enough field for comparison, isn't it? I am even including the Provincial Treasurer's insurance office!

Now, what are the comparable figures as at September 1, 1957 for the three prairie provinces? In Manitoba, on September 1, 1957 in the nine leading industries there were 141,000 people employed. In Alberta, there were 164,000 people employed. In Saskatchewan there were 71,000.

Mr. Cameron: — Man, oh man!

Mr. McDonald: — What progress! What prosperity!

Mr. Lopton: — Backing up that time!

Mr. McDonald: — We're just trailing along so far behind that it is difficult to see the tail-light of the other two provinces. I want to emphasize again that people are the same, the natural resources are the same, the climate is very similar. Why are we so far behind?

February 18, 1958

Again these figures are taken from the "Employment and Payroll Division" of the D.B.S. of September, 1957, page 2.

What about capital investment? Again the Premier has referred to capital investment on many occasions. In Swift Current, in the speech to which I referred a while ago, he made this statement, and I want to quote it to you. He said: "There were \$600 million spent on capital investment, last year." Well, for somebody who hasn't taken the trouble to look up to see what comes under capital investment that would be quite a statement and it would be a wonderful thing if that \$600 million had been spent for new industries and one thing and another in Saskatchewan. But what is included in the figure of \$600 million, Mr. Speaker? I am not saying the figure of \$600 million is wrong. It is correct. But when you use that figure you should go on and tell the people what it means, because included in the \$600 million figure you have schools and churches — they are not industrial developments. You have hospitals, you have houses, roads, farm machinery, farm buildings . . .

Mr. Loptson: — Even piggeries!

Mr. McDonald: — . . . and a multitude of things. This is not industrial development, or development in the manufacturing field, and no individual should attempt to convey to the people of Saskatchewan that that is what it is. If you want a figure for manufacturing in Saskatchewan, the investment last year, was not \$600 million. It was \$19 million.

Again for the same period, what was the figure for Manitoba? Not \$19 million, but \$35 million. What was the figure for Alberta? It was \$77 million. Why are we again, I want to ask you, Mr. Speaker, and ask the people of this province — why are we not able to keep pace with our neighbouring provinces?

Mr. Loptson: — Because we've got C.C.F. — Socialism.

Mr. McDonald: — Nineteen million dollars in Saskatchewan, \$35 million in Manitoba, and \$77 million in Alberta was spent, last year, to develop manufacturing industry in the three prairie provinces.

Mr. Loptson: — The Socialists again!

Mr. McDonald: — All right. What about petroleum and natural gas?

Mr. Cameron: — Socialist stagnation.

Mr. McDonald: — I could speak for a long time on the petroleum and natural gas industry in Saskatchewan and western Canada. There is a long story that could be told there.

Mr. Kramer: — Keep the gas rolling.

Mr. McDonald: — As long as you are in the House, we'll have no difficulty in doing that.

All I am going to say about petroleum and natural gas is that to the end of the fiscal year 1956-57, the province of Alberta had received into the provincial revenue account some \$670 million out of oil and gas. We in Saskatchewan received \$32 million. When one considers that those people who were taking part in that oil and gas development started their search here in the province of Saskatchewan, and for no reason other than that Government over there, left this province and went to Alberta, this figure could very well be reversed today.

Premier Douglas: — That is not true, and you know it.

Mr. McDonald: — It is true, and you know it, and neither you nor anybody else can produce any evidence to substantiate the fact that they left this province for any other reason than you chased them out.

Premier Douglas: — They didn't leave it.

Mr. McDonald: — They did leave it. Before this Session is over we shall . . .

Hon. Mr. Brockelbank: — You'll chase them out.

Mr. McDonald: — . . . bring a few documents into this House and a few maps, to substantiate the statement I have just made.

Premier Douglas: — That's what you were going to do before, but you didn't bring them in.

Mr. McDonald: — Well, in any case it isn't a very good record if one of our neighbouring provinces can get \$670 million out of gas and oil, and we get \$42 million. In the meantime geologists tell us there is probably more oil-bearing formations under the province of Saskatchewan than any place else in western Canada. Sure, we've got some development here, and no one is happier than I, or more proud, and I wish this Government well in encouraging the development of oil and gas in the province of Saskatchewan. Certainly, But you are the people who missed the boat and left us in the position that we are in today.

February 18, 1958

Opposition Members: — Hear, Hear!

Mr. McDonald: — Our markets are being curtailed in the world today.

Premier Douglas: — Not Saskatchewan's.

Mr. McDonald: — We may not be able to sell as much oil over the next, two years as we have in the past, and I think we should have been in on the right end of this oil development, and that was in on the beginning, not on the tail-end.

Premier Douglas: — Hear! Hear! We should have been in ten years earlier.

Mr. McDonald: — What about loss of population. One would think that, if we had tremendous developments in Saskatchewan, especially in the industrial and manufacturing fields, we would be able to increase our population. But what has happened in Saskatchewan? D.B.S. reported on population throughout Canada on June 1, 1957, and our population at that time was 879,000 people in Saskatchewan, compared to 881,000 people the year before. So last year when all this progress was taking place, when we were developing by leaps and bounds, we lost 2,000 people. Not only did we lose that 2,000 people, Mr. Speaker. The natural increase of the province of Saskatchewan last year — that is the number of births less the number of deaths in the province in one year — would be something over 17,000 people; so last year we just didn't lose 2,000. We lost 2,000 plus 17,000 which is 19,000 people. Now probably 19,000 people didn't mean too much to the average individual; but suppose all of a sudden some year the city of Prince Albert jumped up and moved away. Everybody would be quite excited, wouldn't they? Well, here we have lost approximately the total population of Prince Albert out of Saskatchewan. Progress in reverse!

What does this mean when we lose people from the province of Saskatchewan? It means a loss of revenue to the province of Saskatchewan in many respects; but one thing that it affects, as most of us have probably overlooked, is the amount of money that we can receive under the Dominion-Provincial taxation agreement. Every time there is a decrease in population in Saskatchewan, we receive less money, and there are two reasons we are receiving less than we expected. First of all, the populations of Ontario and British Columbia have increased faster than anyone would have thought possible. The second reason is that the population of the province of Saskatchewan has decreased faster than anyone would have thought possible. So we lose out on both ends of the deal. Is it any wonder that, when some newspaper people in eastern Canada attempt to estimate what we will receive under

the Dominion-Provincial taxation agreement, the Provincial Treasurer (Hon. Mr. Fines) never agrees with them? Well, he has the inside track, because he realizes he is driving more people out of Saskatchewan than anybody would ever give him credit for.

Mr. Loptson: — Flew the coop!

Mr. McDonald: — What happened in the province of Ontario, for instance, during the year 1957? They had an increase in their population of 217,000 people. British Columbia had an increase of some 89,000 people. Some people may wonder why I use British Columbia and Ontario. I do so because they are the two provinces which the Government of Canada has used to figure out this formula for the distribution of the national wealth of Canada under the Dominion-Provincial Taxation Agreement. Last year, Saskatchewan was the only province in Canada which lost population. Sometimes we look upon the Maritimes as not being too prosperous an area of Canada. I have heard people in the west say, "Well, we should be more kind to them under the Provincial-Dominion taxation agreement."

Even they were able to increase their population, but we, and we alone, in poor little old Saskatchewan, under the creeping paralysis of Socialism, are the only province in Canada that could not accomplish that feat.

There are other things that one could say, and perhaps I should say, about population. Perhaps I should tell you what has happened over the period that this Government has been in office in Saskatchewan. What has happened? Our population has increased, during the term of office that this Government has been in power. (I don't hear anything over there). We had increased from 836,000 people to 879,000 people in Saskatchewan — an increase of 43,000 people from 1944 to 1958. 43,000 people is just about the number of immigrants that came into Saskatchewan over that period of time. All right. What happened to all the people who were born here; in other words, our natural increase? Where did they go? Well, they certainly left Saskatchewan.

Mr. Cameron: — They went up in smoke.

Mr. McDonald: — And do you know how many of them left Saskatchewan? From 1944 to 1958 some 176,000 people! Again, 176,000 people may not mean too much to a lot of people; but that is the equivalent of the population of the city of Regina and the city of Saskatoon and two or three other communities added in. What would the people of this province say if they were told that over the next 14 years the city of Regina and the city of Saskatoon and two or three other communities were going to pack up their bags and leave Saskatchewan? That's exactly what has happened in the term of office this Government has been in power.

February 18, 1958

During the same term of years, the population of the Dominion of Canada has increased by about 4 1/2 million people. Our share of that increase ought to have been about 325,000 people; but in place of that it was 43,000.

Now I want to turn to rather a cute little subject — the pulp mill. You know, we have been going to get a pulp mill in Saskatchewan for a long time.

Mr. Loptson: — Haven't they got that built yet?

Mr. McDonald: — I was going to put a question on the Order Paper, asking when we could expect to have a picture of the new pulp mill.

Mr. Cameron: — We're 'on the verge', Minty!

Mr. McDonald: — One of the first occasions I can recall on which we were told we were to get a pulp mill in Saskatchewan was back in 1946 — 11 years ago. That was when the Premier was speaking to a public meeting in the home of the Minister of Highways (Hon. J.T. Douglas) in October of 1947, and he said we should be getting a pulp mill pretty soon. Well, in November of 1948, after having spent some six weeks in Europe, the Premier announced on his return that some British and Swedish representatives were coming to Saskatchewan, in a matter of months, to survey the situation regarding the building of a pulp mill in the province. Two weeks later, Mr. Douglas announced that he was leaving by plane for New York to discuss with U.S. industrialists the possibility of developing Saskatchewan's pulpwood industry.

Mr. Loptson: — That's terrible.

Mr. McDonald: — Then in September, 1952, the Provincial Treasurer (Hon. Mr. Fines), while on a two-and-one-half month trip to Great Britain and Europe, said Saskatchewan was going to get a British pulpwood industry, and on his return he said there was hope that a European business would give the province its first pulpwood industry. Apparently nobody paid too much attention to those announcements, because they kind of died the day after they were made, and that was the end of that. But then we were told, a few months later, that the Anglo-Canadian Pulp and Paper Company, their eastern interest, were going to build a pulp mill in Saskatchewan. As a matter of fact, the Premier said that this company would invest \$30 million in a pulp mill in Saskatchewan. Well, they haven't spent a dollar, and we still haven't got a pulp mill. The Anglo-Canadian Pulp and Paper Company flew the coop.

Mr. Cameron: — Like our population.

Mr. McDonald: — Of course they were an eastern Interest. They couldn't interest them, apparently, in our pulp so they moved from the east to the west. They went out to Vancouver, and a gentleman by the name of R.G. Campbell (I believe his initials were) was going to set up a pulp industry in Saskatchewan — Waskesiu Forest Products Limited, and on May 31, 1956 — remember May 31, 1956; it was almost close to June 20th, wasn't it; something very important was happening on June 20th, there was a provincial election.

Mr. Cameron: — Yeah!

Mr. McDonald: — So on May 31, 1956, the Premier realized that he and his seat-mate, then the seat-mate one removed (the Minister of Mineral Resources) had made so many announcements about pulp mills that it didn't matter what they said; nobody was paying any attention to them anyway. So he got Mr. Campbell to issue a joint statement, just a few short weeks before the provincial election, announcing that a pulp mill was going to be built in the Prince Albert area. Now, what was the announcement? This was a dilly. I want to quote to you, Mr. Speaker, and to read into the records of this Legislature just what a pulp mill would do for Saskatchewan. Here is an account from the Saskatoon 'Star-Phoenix' of May 31, 1956, of the joint statement of the Premier and Mr. Campbell. It reads as follows:

"Construction of a pulp and paper mill costing between \$50 million and \$60 million will be undertaken on a site near Prince Albert, it was officially announced today."

"The agreement for the project, largest single industrial undertaking ever planned in Saskatchewan, was signed this week in Regina. An announcement of the scheme was made jointly by Premier T.C. Douglas and Robert G. Campbell, of Vancouver, one of the principles of the company involved.

"The pulp and paper mill, likely to be a forerunner of similar other projects in Saskatchewan's vast northland, has been estimated can support, in perpetuity, four pulp mills, but this will be the first in the province. Construction of the pulp mill may possibly get under way this fall, should the company have completed its financing before that time.

"The mill and its logging operations will give direct employment to some 3,000 persons."

February 18, 1958

There are over 2,000 unemployed in Prince Albert today — too bad we didn't get the mill into production.

“ . . . and will have a payroll of approximately \$9 million annually.”

They had it all figured out: how many people the mill would employ, and what the payroll was going to be.

“ . . . and it will create indirectly, employment for some 5,000 persons, and the expectation is that the pulp mill operation will eventually double the population of Prince Albert.”

What an announcement! This was on May 31, 1956.

Mr. Lopton: — Now they're going to build!

Mr. McDonald: — It was officially announced that an agreement had been signed, so all we had to do was to get the cement and the lumber and we were in business. But what happened? We'll read you some more:

"The start of construction is scheduled for the 1st of June, 1957, but Mr. Campbell said there was a possibility that the start might be made this fall. Once construction gets under way, the work will be pushed night and day to reach the earliest possible production date, possibly in 1958."

"The Saskatchewan Power Corporation indicates that power requirements of the pulp mill could bring into early economical development of a hydro-generation of 140,000 kilowatts at Fort a la Corne."

Why, this pulp mill has developed to the stage where we had to build a dam to generate power for the pulp mill! And this power project was begun some years ago and abandoned; we didn't even get started this time.

"The company's program also envisaged the construction of a chlorine plant in Saskatchewan. Chlorine is important as a bleaching agent in the pulp operations. A chlorine plant should, or could

make use of common salt from the Unit area or from the potash development near Saskatoon, where the salt is recovered along with the potash.

"Main plants and auxiliary buildings of the mill will be situated on a square mile of land adjacent to Prince Albert. A stock pile of timber of approximately 220,000 cords will be maintained at the plant site."

How many cords have you got stacked there, today? Now, as if that wasn't enough, the Premier went on the radio and made a radio address, and oh! There are some figures here that are staggering.

Mr. Cameron: — Read them. Read them!

Mr. McDonald: — I don't think I should take the time of the House to read that. What has happened to the pulp mill that Mr. Campbell and his associates were going to build? I understand that Mr. Campbell now has flown the coop, and now I understand we are trying to get some people from Los Angeles to build the pulp mill.

Mr. Cameron: — They're going south!

Mr. McDonald: — We've been to the east, we've been to the west, we're now down south. Where are you going next? Is there somebody up at the North Pole that would help us build a pulp mill? I would venture to make a wager with any member of this Government, if I may be allowed to do so, that during their term of office, unless they pledge the resources of this province and the wealth of this province to construct a pulp mill, it will never be built as long as you jokers are sitting over there.

Mr. Brown (Bengough): — Wishful thinking?

Mr. McDonald: — And is it any wonder? Is it any wonder when you think of the treatment that people who had money to invest in industry, pulp mills, and the like, have received from this Government? Mr. Speaker, if you were a great industrialist and had huge sums of money, and were looking for some place to invest it, and you were looking at our province, and while you were looking at it, you happened to hear one of the Premier's addresses when he called you a 'huckster' or a 'quick-buck artist' or a 'capitalist', would you be very much interested in coming to Saskatchewan?

February 18, 1958

At a nominating speech to a C.C.F. convention here in the city of Regina, the Premier referred to these people, these terrible capitalists, as 'hucksters' and 'quick-buck artists'. Then we want them to come and invest their money in our province. I ask you why, even yesterday the member for Touchwood (Mr. Meakes), when he was addressing this Legislature, referred to these capitalists, these terrible people. Mr. Speaker, there are only two ways of getting development. Either the government can do it through Crown Corporations (which God forbid), or capital must come into this province from other parts of Canada and other parts of the world, and develop our natural resources for us, and we're going to call them a bunch of hucksters and quick-buck artists and capitalistic robbers and thieves.

Mr. Danielson: — Shysters, too.

Mr. McDonald: — How on earth can you expect them to come into Saskatchewan? That is the main reason we have this stagnation.

What about the agreement that was signed between Mr. Campbell and the Provincial Government?

Mr. Gardiner: — It never existed.

Mr. McDonald: — During the provincial election, I challenged the Premier to produce this agreement. My friends in the Social Credit Party challenged the Premier to produce the agreement. Do you know what his answer was? He said that "if that Social Creditor Bennett, out in British Columbia will tell us all about the Sommers' case, I'll tell you all about the pulp mill."

Mr. Lopton: — That must be the same kind of a deal!

Mr. McDonald: — Who knows! We may know quite a bit about Mr. Sommers before long, but I doubt if we'll ever know too much about this proposed pulp mill, because last session the agreement was tabled here in the Legislature at my own request. What was it? It wasn't an agreement to build a pulp mill. It was an option on some timber lands in Saskatchewan. There is an awful difference, you know, between an option on some property to get the raw materials that would be needed in the industry and in building the pulp mill itself. As I say, I doubt very much if we are going to get the development of the major industries in Saskatchewan until such time as we change our attitude towards people, companies and corporations which have the necessary finance, the necessary knowledge and managerial ability. We have got to change our attitude towards those people before we are even going to catch up to our neighbouring provinces, let alone keep pace with them. That is one of the reasons we are suffering here in Saskatchewan today.

I would like to conclude my remarks with a few words on unemployment. I was very interested in the remarks of the member for Moose Jaw yesterday with regard to unemployment. I was pleased to note in the Speech from the Throne that the Government was prepared to carry on those work projects that were started, last fall, during the winter months, in an effort to keep as many people employed as possible. I was also pleased to note that they were going to buy some of the materials, this winter, that they anticipated they would need for the coming construction season. I was also pleased to note that the Provincial Government was prepared to co-operate with the Government of Canada in endeavouring to do what they could as far as unemployment is concerned. What have they been doing in Saskatchewan? The Government of Canada suggested they build some roads in the north. I am not opposed to building roads in the north. In fact I have advocated it for years. That's no answer to the unemployment problem here in Saskatchewan, however. Sure, we have a few people who would be prepared to go into northern Saskatchewan for employment, but I don't think there are many people will go from Regina, Moose Jaw, Saskatoon, or any other larger centre in Saskatchewan. We need action here in the province of Saskatchewan — provincial government action.

As I mentioned yesterday, what have the planners been doing that you have not got this new women's gaol under construction? Have you decided you don't need it? If you don't need it, tell us. We'll tell you something else you need: get your planners working on that for a year or two.

What happened about this technical institute? I think what scuttled the institute was the quarrel among the members opposite as to whose city it was going to be built in. Let's make up our minds what city it is going to be built in, and build it, now — not sometime when we have full employment, but now when it is needed to give employment in this province.

What about the power building I mentioned? Are you going to build that? Well, I don't know. A little robin told me that the Power Corporation was in trouble financially. Could that be why you're not building it?

Premier Douglas: — Did that robin come from the 'Leader-Post' editorial office?

Mr. McDonald: — Why are you not building it? I had no robin from the 'Leader Post'. Maybe you have; I wouldn't doubt it a bit, but I haven't. Why haven't you got this building under construction at this very moment? What about the bridge over the North Saskatchewan River, whether it be at Petrofka or at Prince Albert? You know, you are endeavouring to convince the people of both areas that they are going to get the bridge before the other one.

February 18, 1958

Prince Albert people are told: "You'll be first", and the Petrofka peoples are told, "No, you will be first." But then the member for Prince Albert (Hon. Mr. McIntosh) let the cat out of the bag when he told Prince Albert that they would be first, in public.

What about your negotiations with the Los Angeles firm for a pulp mill? Let's close the negotiations; let's get under way and let's build a mill — not only one mill. I agree with the statement of Ministers of the Crown of this Government that there is, probably room and enough forest land in northern Saskatchewan to support three or four mills in perpetuity. Let's get on with the job so that the people of this province who are unemployed today can at least look forward to full employment in the future.

Now, Mr. Speaker, I would like to move, seconded by my desk-mate. Mr. Cameron (Maple Creek):

That the following words be added to the Address: —

"We respectfully submit that in the opinion of the Assembly, Your Honour's advisers have failed to implement a comprehensive agricultural program for Saskatchewan, or an aggressive plan of Industrial Development which would provide full employment."

Hon. T.C. Douglas (Premier): — Mr, Speaker, may I begin by joining with the hon. Leader of the Opposition (Mr. McDonald) in extending a word of welcome to the University students who are here from Saskatoon. We are delighted to have you here, and the members of the Legislature are pleased to play host to you each year on this occasion.

The Leader of the Opposition regretted that you have been asked to listen to him and to me; but that is one of the prices you pay for coming down here and exposing yourselves to that sort of treatment. As a matter of fact, this is a sort of meal you are having today. First of all you had the appetizer, which is usually somewhat sour, in order to stimulate your appetite. Down in the dining room you will get the entrée, and that will be followed by your dessert — sweet and very pleasant to the taste.

I would also like to take this opportunity, personally, in extending a word of welcome to the students from the Western Christian College, which is located at Weyburn. They have been visiting here, today, and I would like to say to them how delighted we are to have them. I want to extend to them on behalf of the members of the House, our pleasure in having them attend the Session.

I would like, too, Sir, to extend my congratulations to the mover, the member for Moose Jaw (Mr. Davies), and the seconder, the member for Touchwood (Mr. Meakes), on the able manner in which they opened this debate yesterday, in moving and seconding the Address in Reply to the Speech from the Throne. I think both of them did themselves, and the constituencies they represent, proud in the fine presentations they made to the Legislature. I personally want to congratulate both of them and the people who sent them here.

The Leader of the Opposition I must also congratulate on the very forceful manner in which he delivered his speech and say to him that I always enjoy listening to him. I managed to restrain my natural tendency to butt in when he said something I think is not quite according to the fact. But I enjoyed his speech very much.

I was interested in noting that when he started he described the Speech from the Throne as a very barren document, and talked about the fact that it was not even a skeleton. That sent me back to reading the various Speeches that have been delivered in this House by various Lieutenant-Governors. If my friends really want to see some barren skeletons, they ought to go back and read the Speeches that were read in this House during the Liberal administration.

Yesterday, the Leader of the Opposition said that the Speech from the Throne, this year, sounded like a series of news reports. There was certainly no news in any of the Speeches from the Throne from 1934 to 1944, Mr. Speaker. There was no news to announce;

February 18, 1958

no announcements to make; nothing very much to say. Take the one, for instance — 1939. You can pick any of the. This one opened with a paragraph on Her Majesty the Queen visiting Canada. One was on the prospects of the crop. Another paragraph said how small the crop was, and commented on its poor quality. Another commented on the Trade Agreement and another one talked about a trade agreement between Canada and the United States. Another paragraph talked about an industrial development board; another one talked about conditions prevailing in the northern areas. One advocated standardization of types of contract, and the next paragraph talked about the Federal Parliament having passed the Municipal Improvements Assistance Act . . .

Mr. Loptson (Saltcoats): — Mr. Speaker, on a point of order. I thought that when an amendment had been moved to a motion, discussion should be confined to the amendment until it has been disposed of.

Premier Douglas: — Mr. Speaker, on the point of order, the hon. member ought to know that on a Speech-from-the-Throne debate or on a Budget debate the motion and the amendment can be discussed together. If my hon. friend doesn't want to have that done, we'll take the vote on the amendment now, if my hon. friend wants that.

Mr. Loptson: — If you declare you are doing that . . .

Premier Douglas: — That's right.

Mr. Speaker: — That is the procedure we have been following. It's quite all right.

Premier Douglas: — The next paragraph went on to talk about the work which had been done by the Co-op Creameries. One talked about northern Saskatchewan. The long period of depression was mentioned; another commented on the fact that Chief Justice Martin was being appointed to a committee to look into school administration. The next talked about what the Federal Government had done in setting up a youth training program. The last talked about bringing in an Act for co-operative association.

Hon. Mr. Fines: — This was the Speech from the Throne!

Premier Douglas: — And these are the gentlemen . . .

Mr. McFarlane: — What year?

Premier Douglas: — The year 1939.

Mr. McCarthy: — What was the budget then?

Premier Douglas: — We are not talking about the budget. We are talking about a 'barren' Speech from the Throne. These are the gentlemen who come in and talk about a 'skeleton' of a Speech from the Throne. I want to say that, if the gentlemen opposite in any one single year, could have come in and announced any one of the projects which this Government has completed during the past year, they would have had streamer headlines, and the entire Speech from the Throne would have been devoted to it. If they, in any one year, had been able to complete the power program which was completed in Saskatchewan last year, or the great gas services that were set up in various parts of the province; if they, in any one year had been able to complete the Trans-Canada Highway and a microwave system across the province of Saskatchewan; if they, in any one year, had been able to announce the progress being made in production of oil, in the development of the potash industry, in the production of uranium or in the new industries that have come into the province, about which I shall have more to say in a little while; if they had been able to announce any one of these things, they would have thought they had a very good Speech from the Throne. But you can go through their Speeches from the Throne from 1934 to 1944 and you will not find a single one in which there was one announcement that was on a par, in terms of importance to the economy of the province, with any one of the statements which I have just made. The Leader of the Official Opposition has been on his favourite theme of the 'creeping paralysis' in Saskatchewan.

Mr. McDonald: — Hear! Hear!

Premier Douglas: — . . . "The creeping paralysis of socialism." They love to roll this phrase off their tongues. Well, Mr. Speaker, that might fool some people who have only been here the last few years. My hon. friends have tried this same tactic in the elections of 1948, 1952, 1956. In the election less than two years ago, the Leader of the Official Opposition went to the people of the province and said "I'm ready to assume the office of leading a Government in this province. I'm here to save you from the ruins that are bound to fall as a result of the creeping paralysis of Socialism."

Mr. McDonald: — Steady, Tommy.

Premier Douglas: — But, there weren't any takers, Mr. Speaker. There weren't any takers of this magnanimous offer of my hon. friend to sacrifice himself upon the altar of public service. Why? It is not because of my hon. friend, but because the people of this province have good memories. They remember a creeping paralysis that didn't come from Socialism. They remember a creeping paralysis that came from inertia and incompetence and a lack of aggressive action on the part of the Liberal party during the thirty-four

February 18, 1958

years they were in office in Saskatchewan. The people of this province have not forgotten that from 1931 to 1944, there wasn't a loss of a few thousand. There was total loss in terms of the people who left this province, plus the natural increase we lost — a total loss to this province of 250,000 people. You forget that in 1936, the year after the y had taken office, the population of Saskatchewan was given at 986,000.

Mr. Danielson: — Get up-to-date.

Premier Douglas: — 986,000. By the time we took office, this had shrunk down to 821,000. When you add that loss to the loss through natural increase, we lost a quarter of a million people . . .

Mr. Loptson: — Where are we today?

Premier Douglas: — . . . under the Liberal administration.

Mr. Cameron: — You're following the same pattern.

Premier Douglas: — Now, the Leader of the Official Opposition says, of course, he regrets that there hasn't been more development in Saskatchewan. Certainly, he and his party will do everything they could to help. No doubt of that, Mr. Speaker. We had a good example — talking about the cement industry in Saskatchewan. To help the cement industry sell its shares and get people to put their capital into developing an industry in Saskatchewan, the Federal Minister of Agriculture in Ottawa makes a public statement that the clay around Regina would never be any good for cement. This is the way to get industries in Saskatchewan!

Mr. Gardiner (Melville): — That sure scared them.

Premier Douglas: — This afternoon, the Leader of the Official Opposition heard a 'little robin'. Yes, he's got birds in' the belfry, too.

Mr. McDonald: — That's better than bats.

Premier Douglas: — He heard a little robin tell him that the Power Corporation is in financial difficulties. Mr. Speaker, this is the way to help development. This is the way to make it possible for a public utility to go out and raise money to develop power and to develop gas, by having the Leader of the Opposition, a responsible official, stand up in the House and say that he has heard that the Power Corporation is in financial difficulties.

Mr. Gardiner: — Is it true?

Premier Douglas: — This is the way the gentlemen opposite are anxious to help extend and expand industry in Saskatchewan.

Mr. McDonald: — Table the report.

Premier Douglas: — The Saskatchewan Power Corporation is in no financial difficulty.

Mr. McDonald: — Good! Good!

Premier Douglas: — But the remark made by the hon. gentleman, this afternoon, proves what I've said from this place again and again, namely, that if the Liberal party cannot run and control this province in the clutch of their political machine, then they will do the next best thing; they will try to destroy it, and leave it a barren waste, if they cannot dominate it. It is for that reason that the people of this Saskatchewan, on four occasion, have refused to hand the Government of Saskatchewan back to them, because they know, perfectly well, the Liberal party has never had any interest in the welfare either of this province or of its people, but only in the welfare of the political party, the liberal party, and the hacks who make it up.

Mr. McDonald: — We've never paid out to our friends anything like you have, anyway.

Premier Douglas: — Now, the Leader of the Official Opposition made some (I thought) startling statements yesterday, as well as today. One of the statements he made was, "Since when did hospitals become the responsibility of the municipality?" He said today, "Why, my friend should read the B.N.A. Act." Well, I wonder when he read it last and where he found anything in the B.N.A. Act about municipalities.

Mr. McDonald: — There isn't anything in it. You created them.

Premier Douglas: — The provinces under the British North America Act had certain responsibilities. Health, education and welfare, roads, etc., are amongst those responsibilities. This Legislature has created municipalities, so that people living in certain communities can organize themselves, can tax themselves, in order to provide certain services, schools hospitals, roads and other services. The Provincial Government has the responsibility of assisting them insofar as it can.

When my friend asks, "Since when did the hospitals become the responsibility of the municipality?" I want to say that hospitals have always been the responsibility of the municipality.

Until the C.C.F. Government came in, they had the sole responsibility for all construction costs, and that there was never a construction grant paid to local hospitals until 1945 when the C.C.F. in Saskatchewan, the first province in Canada, began to pay hospital construction grants. That was followed in 1946 by Federal legislation under which the Federal Government then began to pay matching grants for hospital construction. Until this Government came in, the municipalities had all the responsibility of hospitals. As a matter of fact, as far as the operation of hospitals was concerned, all any government (prior to this Government coming into office) ever paid was fifty cents per patient-day toward the operation of the hospital. If the hospital had a deficit, that deficit had to be met by the local municipality. I lived in a municipality which year after year with monotonous regularity, had to meet a deficit from the hospital. The same was true in Regina, Saskatoon, and for other hospitals. It was not until this Government set up a hospital plan in January 1, 1947, which in the main has taken care of hospital deficits, that hospitals have been able to operate on a sounder financial basis.

One subject my friends should never raise is the question of hospitals. There have been three times as many Union Hospital Districts set up since this Government took office than were set up in the entire thirty-nine years before we took office. There were only 26 union hospital districts in Saskatchewan when we took office, and today there are considerably over 100. The number of hospital beds in this province has been doubled. That is the result of the financial assistance which has been provided and by the fact that under the Hospital Services Plan, there is not the same danger of large operating deficits.

The Leader of the Official Opposition yesterday, made some reference to education. Again, the Liberal party, as it is proving in other political fields, is much more generous in opposition than it ever is when it is in office. They left office in 1944, and what a legacy they passed on! They left behind them dilapidated buildings. They left behind them thousands of teacher's notes — unpaid. One of the first tasks of this Government was, not only to pay off millions of dollars of relief and seed grain debts, some of which we are still paying to Ottawa, which these gentlemen left on our doorstep, but also to start paying off notes which had been given to teachers in the thirties for their salaries when their salaries could not be paid. There may have been some excuse in the thirties, but there was no excuse in 1944 for allowing thousands of dollars of these notes to be still unpaid.

Mr. Korchinski (Redberry): — Would you permit a question?

Premier Douglas: — Yes, Surely.

Mr. Korchinski: — When was the last note paid to any teacher in

this province? What year?

Premier Douglas: — I could not tell my hon. friend. He could ask the Minister of Education (Hon. Mr. Lloyd) that; but I know we paid off thousands of dollars of these notes after we took office.

Mr. Danielson (Arm River): — You never paid any.

Mr. McCarthy: — When was the first one paid?

Premier Douglas: — I am not interested in when the first one was paid. I am interested in the fact that this Government had to pay off thousands of dollars of these notes.

Mr. McDonald: — You never paid any.

Premier Douglas: — My hon. friend says we never paid any.

Mr. McDonald: — No, it came out of the education fund that was set up by a Liberal government. You didn't pay any.

Mr. Danielson: — Yes, that's what it was set up for.

Mr. Speaker: — Order! Order!

Premier Douglas: — Here is the oracle of Delphi, who has finally opened his mouth and out has come the wind! Now, I'll tell my friend.

Mr. McDonald: — I told you.

Premier Douglas: — He said we didn't pay it — it came out of the education fund . . .

Mr. McDonald: — Set up by a Liberal government.

Mr. Korchinski: — They were mostly all paid before you got in.

Premier Douglas: — Now if the hon. gentlemen will just keep quiet . . .

Mr. Korchinski: — They were all paid before you got in.

Mr. Danielson: — The notes were all paid up to 1944.

Premier Douglas: — Here is a good demonstration of my friends' love of democracy. I sat and listened, this afternoon, to more misstatements of fact per minute than . . .

February 18, 1958

Mr. McDonald: — You didn't listen to any. Mr, Speaker, on a point of privilege, the Premier has said that he listened to more misrepresentations . . .

Premier Douglas: — Misstatements of fact.

Mr. McDonald: — . . . misstatements of fact. Neither the Premier nor any other individual in or outside this House can contradict any statement, with any substantial figures, that I made here this afternoon.

Premier Douglas: — Mr. Speaker, that is precisely what I propose to do is prove these misstatements of fact . . .

Mr. McDonald: — You can't; it will be just like your story on the pulp mill.

Premier Douglas: — . . . but I want to point out that the hon. gentlemen opposite — while I listened to the speech of the hon. Leader of the Official Opposition — are now proposing to do their very best to prevent me from doing exactly what I propose to do. I don't mind interruptions and I am not going to be intimidated by them. The Leader of the Official Opposition says we didn't pay off these teachers' notes because they were paid out of the education fund. Mr. Speaker, the education fund was there from 1933 to 1944. Why on earth didn't the Liberal party pay off those notes?

Mr. McDonald: — They did.

Mr. Danielson: — They were all paid by 1944.

Premier Douglas: — There were thousands of dollars of these notes that had to be paid off when this Government came into office. I asked the Leader of the Official Opposition yesterday, when he talked about what a small part of the education cost the Provincial Government was paying, to substantiate his statement, and I was surprised when he came in and quoted, today, the figures for 1953-54. Now it is not difficult for him to get later figures than 1953-54. He knows the amount that was provided for in the estimates, last year. It is not hard to find out what the school boards had levied for, and then take the total amount and see what the percentage is — the one or the other. But he follows his statement in order to buttress his rather weak argument by quoting the figures for 1953-54, and he said: "I imagine the percentage has stayed pretty well the same." Well, of course the percentage hasn't stayed pretty well the same!

I have here the December 1957 issue of the 'School Trustee' and there is an article in it on "Financing Education" by

Mr. A.B. Douglas who, I believe, is vice-president of the School Trustees' Association. He has placed the table on the record. Here is an interesting fact. In 1945, the cost of education in the province was \$14 1/2 million. Provincial grants were \$3 million. The provincial contribution was, therefore, 21 per cent. The average cost of education per pupil was \$83. By 1953-54, (the year my hon. friend quoted), the cost of education was \$33 million. Provincial grants were \$7 1/2 million. The percentage was 23 per cent and the average cost per pupil had gone up from \$83 to \$200. My hon. friend knows that in each succeeding year since that time we have stepped up our contribution. In that year, 1953-54, it was \$7 1/2 million but the next year it went up to \$10 1/2 million; then \$11 1/2, million; then \$13 million, and then \$16 million. Last year the total cost of education in the province was \$49 million. Provincial grants in the estimates were \$16 million. As a matter of fact, when the Supplementaries come in, it will be higher than that. But even taking the figures in the estimates, the percentage of the provincial contribution is 33 per cent — not the 23 per cent my friend talks about, in 1953-54.

Mr. McDonald: — Mr. Speaker, on a point of privilege again. I have never used the figure 23 per cent. The last figure I gave was 30.5 per cent, which was for the year 1954-55.

Premier Douglas: — Well, of course, the figure now, I am pointing out to my hon. friend, on this table, is 33 per cent.

Mr. McDonald: — For what year?

Premier Douglas: — For 1957. It is 33 per cent on the basis of the grants provided for in the estimates. When the supplementaries are added to those grants, I think the percentage will be 34 or 35 per cent. I want to point out . . .

Mr. McDonald: — Could I ask you this question? What are you quoting from?

Premier Douglas: — I'm quoting from the table contained in the December issue of the 'School Trustee'.

Mr. McDonald: — Just to make one point clear. I don't want to interrupt . . .

Premier Douglas: — No. No.

Mr. McDonald: — I don't like to do that. But speaking on this point, I said that I had used the figures from

February 18, 1958

the last Annual Report of the Department of education and the last figures available by the Dominion Bureau of Statistics. At least, there are no figures available from D.B.S., or the Department of Education later than the figures I have used. It may be in that . . .

Premier Douglas: — I'm pointing out that my hon. friend can quite easily obtain the figures by taking the total amount which the School Districts are levying for, plus the education grants, to find out the total expenditure.

Mr. McDonald: — But those are only estimates.

Premier Douglas: — But I think these facts are accurate. The fact is that from 1940, with a Liberal Government in office, when the cost per pupil was \$83, and when they were contributing 21 per cent of the cost of education, last year we come to the place where the cost per pupil was \$268 per pupil, and where the Provincial Government's contribution was better than one-third of the total. In other words, despite the tremendous increase in cost per pupil, despite the fact that there is a much higher standard of educational cost, this Government as of 1957, was contributing more than one-third of the total cost of education, as compared to about one-sixth when a Liberal Government went out of office.

Hon. Mr. Fines (Provincial Treasurer): — The total grant last year was more than the total cost of education in 1945.

Premier Douglas: — Yes, the Provincial Treasurer just points out that in 1945, the total cost of education in the province was \$14 1/2 million of which the Provincial Government contributed \$3 million. This past year, the provincial grant alone was over \$16 million, so that we contributed in 1957 to education, in grants, more than the entire amount spent on education back in 1945.

I am not saying that we think this is the end. As we have said in the Speech from the Throne, we propose to keep on adding all additional revenue we can secure to increase grants to school districts and to municipalities, and we have always hoped that we would move steadily toward the goal of providing, on the average, half the total cost of education. I do want to say, Mr. Speaker, that it ill becomes any party whose contributions were less than \$3 million a year; whose contributions amounted to about one-fifth of the total cost of education in the province, to be finding fault with a government which today, in one year, is contributing more for grants than was being spent in all the educational services of the entire province 12 years ago.

Mr. Speaker, there are some other things I want to discuss, particularly with reference to what my friend has been talking about today, including industrial development and agriculture in Saskatchewan. I think I shall leave that until tomorrow. With leave of the House, I would move adjournment of this debate.

(Debate adjourned.)

The Assembly then adjourned at 4:50 o'clock p.m.