

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session – Thirteenth Legislature
10th Day

Wednesday, February 25, 1959

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

On the Orders of the Day:

THRONE SPEECH DEBATE

The Assembly resumed from Tuesday, February 24, the adjourned debate on the proposed motion of Mr. Brown (Bengough) and the Address in Reply to the Speech from the Throne.

Hon. J.H. Mr. Brockelbank (Minister of Mineral Resources): - Mr. Speaker, when I adjourned the debate, last evening, I was talking about some of the progress that had been made in the improvement of roads in the province of Saskatchewan, and I have not finished with that subject; but there is another matter which I would like to mention at this time. I have known of the situation for some time but, this morning, I got a letter from one of my constituents in regard to this problem – that is, the problem of tough and damp grain in north-eastern Saskatchewan.

As hon. members know there were large quantities of grain threshed, last fall, which had a very high moisture content, much of it getting into the damp classification. This is a very important question to those people, because with these spring days coming now and the hot spring sun striking the side of a granary which is full of damp or tough grain, they are very liable to heat and spoil. Farmers attended, in Hudson Bay recently, a meeting which was organized by the Wheat Pool, and sent a telegram to the Wheat Board requesting a special quota of three bushels per acre over and above the ordinary quota, this special quota to be for the use only, of course, on tough and damp grain. We will all expect, of course, that before the end of the crop year there will be a quota of from six to eight bushels per acre. The quota in effect in that area now is three bushels. If it is May or June before they get any more quota, much of this wheat will be spoiled and they won't be able to use their quota. They need that quota now, and they need it very badly indeed. It is reported to me that there have been some cases of grain heating already.

This meeting sent a telegram to the Wheat Board requesting this extra quota. They got a reply which did not do anything with regard to granting the extra quota, but reminded them that they had a three bushel quota now, that there was some trouble getting box cars, and they left it at that.

The hon. Minister of Agriculture (Hon. Mr. Nollet) has written to the Minister of Trade and Commerce on this subject two or three times

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during the winter, and I took the liberty, on account of this situation in my constituency, of writing to the Hon. Mr. Churchill on this subject. I know that the people of north-eastern Saskatchewan from Prince Albert to Sturgis – all in that north-east corner – would appreciate anything that we could do to influence the authorities to get a special quota; to get this off-condition grain off the farms before it is a total loss. It is bad enough now, because much of it is Grade 5, 6 or Feed, and then, when you put it into a tough or damp class, the returns on it are pretty low anyway; and it would be a shame to have it spoil completely.

As I said, Mr. Speaker, I was talking about the roads in the province. I had mentioned that the people of Saskatchewan realize they want roads and they realize they have to be paid for. So, when we found it necessary to increase the gasoline tax they did not take any undue objection and, in fact, returned the Government to office after that increase. Our friends opposite never offered to reduce or remove this tax. They made many other promises, but that is one that they missed.

With regard to roads I would like to point out one or two facts, and I have a very interesting opinion here. I noticed this article in the Saskatoon ‘Star Phoenix’ of February 5, 1959, and the heading is “Melville bids for Co-op Feed Plant”. One paragraph in the article reads:

“Melville area produced one-quarter of the turkey raised in the province. The railroad during 1958 shipped 165 cars of dressed turkeys and 110 cars of livestock, not including a large volume that went out over the excellent highway network via trucks.”

Sometimes biased authorities express a difference of opinion, but there we have it from the Board of Trade of Melville. I am sure the hon. member for Melville (Mr. Gardiner) would appreciate the fact that he has some good roads in his part of the province.

I also took the trouble to find out some facts in regard to the grid-road program and thought it would be interesting to get the facts with regard to the municipalities all or partly in the Melville constituency. I find that all of the municipalities there have been participating – every one of them; and that, since the grid-road program commenced, the Government has paid to those municipalities almost \$200,000 as the Government’s share of the grid construction. In addition, the special Crooked Lake resort road had an expenditure of \$54,000 on it.

In this debate the Leader of the Opposition (Mr. McDonald) complained about the treatment of municipalities, so in my spare moments I got out the records and looked up the record for two rural municipalities: one is No. 91, the Rural Municipality of Maryfield; the other is No. 121, the Rural Municipality of Moosomin. They are both located on the Manitoba border and part of the area is in the constituency of the Leader of the Opposition and part is in the constituency of the hon. member for Cannington (Mr. McCarthy). These are two small rural municipalities; the total

area of them both is only 14 townships. These two small municipalities have in them over 50 miles of provincial highway. They have been doing other work, too, and, in the last year, these two rural municipalities got over \$41,000 in grants for road construction. When we look back into history, in three years – I was ashamed to produce in this House the figures for one year, Mr. Speaker, so I got the figures for three years of Liberal government, from 1937-1938 to 1939-1940, and the total they got was \$3,760 for three years; while for one year, from a C.C.F. Government, they got \$41,000.

All the rural municipalities in the province, in those same three years with a Liberal Government, got \$633,000 for roads and bridges – again I would be ashamed to bring in the figure for one year. Last year, the Municipal Road Assistance Authority expenditure was \$5,374,000, compared to three years of just over \$½ million – that is actually at a rate of about 30 times as much. So, when the Leader of the Opposition complains about the treatment of the rural municipalities, I think he is ignoring a lot of the facts of the case.

Now, Mr. Speaker, I would like to say a few words about mineral resources, although that subject has been fairly well discussed in this debate already. In 1943, Saskatchewan attained the highest record of mineral production in its history up to that time; and that is why I have selected that year for comparison. In 1958, the value of minerals produced are eight times as much as the production in 1943. Now in this Legislature there have been a number of questions asked this Session, and they are designed to produce in the answers only a part of the picture. One of the favourite methods of asking a question is: “How many mines have been developed in Saskatchewan since 1944, not including uranium mines?” It is just the same as trying to measure the success or failure of a farmer by going to him and saying: “How much was your revenue on your farm, not including your wheat and your hogs and your cattle?” It is just about the same sort of tactics taken by the hon. members to produce a part of the picture.

Mr. Lopton (Saltcoats): - But uranium development is Federal Government.

Hon. Mr. Brockelbank: - If the hon. member has no point of order, Mr. Speaker, he can remain quiet.

The fact of the matter is that we have had this increase of eight times that record production of 1943. How did it come about? The value of the production of coal doubled; the value of sodium sulphate is 2½ times as great; of clay and cement, 15 times as great; of sand and gravel, 6 times as great; salt went from no production at all to \$1 million in a year; metal – 4 times as great as it was in 1943; and oil and gas – the figure is astronomical – 2,000 times as much as was produced in 1943. This is a part of the picture.

Another Liberal angle in this picture is the wages paid in the mineral industry. In 1945, the wages paid in the mineral industry were \$3,000,000; that was the payroll for that year. In 1957, the payroll was \$33,000,000.

The Leader of the Opposition in his speech said that there were hundreds of millions of dollars invested in Manitoba in minerals during recent years. That is correct, but again it is completely ignoring some of the important facts and trying to give just one side of the picture. In Saskatchewan, in the last six years, almost three-quarters of a billion dollars has been invested in the oil business here in this province. In mining there has been some hundreds of millions of dollars invested: All of the investment in the Uranium City area, two new metal mines near Flin Flon, at Coronation and Birch Lake; the potash mining industry, which has already had put into it many, many millions of dollars. You see, if you are going to look at the whole picture you have to take in all of these things.

I have often given to this House the number of mineral claims recorded. The year 1958 was rather a poor year for the staking of mineral claims because of the low price of metals, but even in 1958 more claims were recorded than double the greatest amount of claims recorded while we had a Liberal government. It wasn't a very big figure – it didn't have to be a very big figure to be double the best record that they had! From 1931 to 1944 inclusive – that is a period of 14 years – there were less than 5,000 claims in all that time recorded in the province. From 1945 to 1958 – again a period of 14 years – almost 70,000 claims were recorded.

The revenue from mineral resources has been just as important, just as outstanding, in its growth as have these other things in connection with mineral resources. In 1944-45, the revenue was less than \$¼ million from mineral resources in this province.

Mr. Loptson: - If they aren't developed they don't bring in anything.

Hon. Mr. Brockelbank: - My hon. friend from Saltcoats says if they are not developed they don't bring in any revenue. Certainly. He should know! They weren't developed when his friends were the government here, and they didn't get any revenue. They are developed now and we are getting some revenue.

Mr. Loptson: - The claims don't mean anything.

Hon. Mr. Brockelbank: - The revenue, in 1957-58, was nearly \$25 million from mineral resources – more than 100 times as much. That revenue has done a lot of good things for the province of Saskatchewan. To put it in another way, this revenue is enough to pay for all the municipal roads and bridges to be paid for by the Government; it would pay all of the amount required from the consolidated fund for the Hospitalization Plan, and there would still be enough left to pay all of the provincial share of pensions, allowances and social aid paid by the Department of Social Welfare.

Mr. Cameron (Maple Creek): - Where did you put it then? Are you sitting on it?

Hon. Mr. Brockelbank: - When my hon. friends try to ignore the development that has taken place in the province of Saskatchewan they, at the same time, try to ignore the development that has

taken place in the services to the people of Saskatchewan. Otherwise, it wouldn't be necessary for me to make a speech like this and remind them about some of the things that have taken place.

There have been many other effects, of course, from this mineral development: the pipe plant, the steel mill, the cement plant, the multiwall paper bag plant, the development in power and telephones, the wire and cable plant. General business of all kinds in service industries has increased because of this development. Remember, a payroll of \$33,000,000 a year going to people in Saskatchewan is not a minor point.

There is one other very interesting development and that is that, in less than ten years, the price of gasoline went down 5 cents per gallon; the whole price of gasoline went down 5 cents per gallon.

Mr. Gardiner (Melville): - Where?

Hon. Mr. Brockelbank: - Here in Regina. It is true that the increase in the tax has absorbed some of the reduction in the price of gasoline and my hon. friends, of course, are very sorry to see that the people of Saskatchewan can pay for their gasoline and pay the tax, too, for less money. They don't like that. They don't like it that gasoline prices went down. That is why they scream about it when I mention it. But one important factor in this gasoline price is the operation of the Co-operative enterprises in this province - The Federated Co-operative and the Co-operative Refinery. I don't think we should ever underestimate the importance of the co-operative movement and what it can do with regard to controlling and affecting the general price level.

The Leader of the Opposition expressed disapproval of the Farm-Out Agreement with the Co-op when it was announced. An hon. member here in the House, last night, read out the quotation. The fact of the matter is that there has never been any evidence to show that the hon. members in the Liberal Party really believe in the Co-operatives and . . .

Mr. McCarthy (Cannington): - Ah, baloney.

Hon. Mr. Brockelbank: - . . . in developing them to where they have become a strong and powerful factor in the whole economic picture. They have used the co-operative movement as a front. They have talked about it, but they have, on different occasions, absolutely refused to give the Co-ops the necessary power to go ahead. I was here in this House when the Liberal Government refused to pass the amendment to The Co-operative Act to authorize the Co-ops to establish drug stores. The Liberal members voted against it. The hon. member for Arm River (Mr. Danielson) was here at that time. He only believed in Co-ops as long as they were an unimportant factor in the whole economy and wouldn't disturb the things that his party believed in.

Mr. Lopton: - One of the most successful Co-ops in the province was . . .

Hon. Mr. Brockelbank: - Mr. Speaker, the hon. member has no reason to interrupt.

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Mr. Danielson: - I want to ask a question.

Hon. Mr. Brockelbank: - He can't ask a question without my permission.

Mr. Danielson: - Mr. Speaker, this is a question of privilege. He has just as much as told the House that I was against that Bill.

Hon. Mr. Brockelbank: - Mr. Speaker, I never said any such thing.

Mr. Danielson: - You did so.

Hon. Mr. Brockelbank: - I did not. Mr. Speaker . . .

Mr. Cameron: - Be a man, take it back.

Mr. Speaker: - Order!

Mr. Danielson: - Be a man and not an ass.

Mr. Speaker: - Order! The hon. Minister did not say that.

Mr. Danielson: - He said I was with the Liberal Party that stood up and voted against it, and he mentioned my name.

Hon. Mr. Brockelbank: - Mr. Speaker . . .

Mr. Cameron: - That's right; he sure did.

Mr. Danielson: - He said, "the member for Arm River", Mr. Speaker.

Hon. Mr. Brockelbank: - What I said was absolutely correct – that the hon. member for Arm River was here in the House at that time, as a supporter of the Liberal Government . . .

Mr. Danielson: - You said I voted against it.

Hon. Mr. Brockelbank: - I don't know how he voted in the Committee. As a matter of fact, the Liberal members in the Committee were the members who voted it down. There is no question about that. He might have been away from the Committee – I don't know; but as a matter of fact, if I remember right . .

Mr. McCarthy: - That isn't what you said.

Hon. Mr. Brockelbank: - . . . the Committee went into camera to make the decision so that the Co-ops outside wouldn't know how they voted.

Mr. Gardiner: - Let's have your proof.

Hon. Mr. Brockelbank: - Courageous kind of people they are; but they don't really believe in the Co-ops. They are

the same kind of people, too, when it comes to the question of tariffs and free trade – both Liberals and Conservatives believe in high tariffs; one of them talks free trade, the other talks protection, but they both maintain high tariffs.

Mr. McFarlane: - And you exterminate them.

Hon. Mr. Brockelbank: - The tariffs cost the Canadian consumers a billion dollars a year, but they support them. They have to support them; they can't do anything else, Mr. Speaker.

These questions I have been dealing with – the Co-ops and the question of tariffs – are related to the general political situation, so I want now to come to the question of the Co-operative Commonwealth Federation – the farmer and the labour movement.

Mr. McCarthy: - Oh, you've got them together now, eh?

Hon. Mr. Brockelbank: - The Liberals and the Conservatives try to tell both the farmers and the labour people that they will be much better off if they will stay with a political party which is supported by Big Business.

Mrs. Batten: - A C.C.F. story!

Hon. Mr. Brockelbank: - And to achieve that end, they tell the farmers that labour and high wages are causing the farmer trouble. They tell the labourer that he has to pay far too much for food and all that sort of thing; their policies are designed to keep farmer and labour apart and it is easy to understand it because the doom of the Liberal and the Conservative parties will be sealed when farmers and labour come to see that they have identical interests and that they can get together in the political field. They will be finished, Mr. Speaker. They will be as dead as a doornail when that happens. So I do not blame them for trying to keep the farmers and labour from getting together; but I want to tell you, Mr. Speaker, that it is not high wages that is causing the trouble and is causing inflation, and it certainly isn't the high prices that the farmers are getting for their goods. I will tell you about one thing that made a contribution towards inflation. I have here in my hand a few papers from the 'U.S. News and World Report' of June 14, 1957. The article is headed:

“Now that the Supreme Court has ruled against Dupont.”

The ruling against Dupont was that they had to divest themselves of their General Motors stock, so here is a summary of Dupont's activities in General Motors stock. I would like every member to listen to it carefully.

Mr. Danielson: - What about the Pipeline?

Hon. Mr. Brockelbank: - I will quote the summary:

“Over a period of years, starting in 1918, Dupont Company invested \$132 million in General

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Motors stock. Today this stock is worth, on the market, nearly \$2¼ billion, a profit of more than \$2½ billion. Dupont holdings of General Motors represent 22.6 per cent of all G.M. shares outstanding.”

In other words, they had less than one-quarter ownership in General Motors.

“Dividends received by Dupont from G.M. stock, over the years, had added up to more than \$1½ billion.”

You invest \$132 million between 1918 and the present time, over a period of years; your property then is worth \$2¾ billion, and you have already received income from it of over \$1½ billion.

Mr. McDonald: - That’s a better record than the Crown Corporations.

Hon. Mr. Brockelbank: - Much better, and I hope you are proud of it. At this time (1957) G.M. stock was \$42.50 a share; in the last issue of the ‘Financial Post’ it was \$44.25.

Mr. Klein (Notukeu-Willowbunch): - How many shares have you got?

Hon. Mr. Brockelbank: - Their \$132 million investment turned into over \$4.2 billion, held by Dupont.

Mr. Lopton: - I know some fellows in Saskatchewan that made a bigger profit than that in the oil business.

Hon. Mr. Brockelbank: - The total profit for all the shareholders of General Motors would be more than four times this amount. It would be about \$17 billion, since 1918, and would be on an investment of about \$600 million – a total investment, because this is a share of the company.

Now, my hon. friends know that there is no magic. There isn’t such a thing as something for nothing. When somebody gets something you can bet your buttoned boots that either that person is paying for it or somebody else is paying for it. And these people who got profits totalling over \$4 billion – somebody paid for those profits. Who did pay for it? The producers, the labourers and the farmers of the United States and Canada put up that money.

General Motors is one of the biggest corporations, but it is only a small part of the total industrial body of the United States, and when you multiply these amounts many times over to represent the situation in the whole country, it is easy to understand how prices increase. Somebody has to pay to make these profits. It is also easy to understand how every supporter of this kind of free enterprise, how every supporters of every reactionary liberal party does all they can to keep farmer and labourer from getting together, and coming to understand that they are both

being 'gypped' by the same people and by the same methods. They have a good reason for trying to prevent the C.C.F., the farmers and labour from organizing a new political party in Canada.

Mr. Loptson: - What are they going to call it?

Mr. Danielson: - What's wrong with the one you've got?

Hon. Mr. Brockelbank: - Mr. Speaker, I ran across a quotation which I thought was worthy of repetition in this House. This is a quotation from a speech made by the Hon. Sam Rayburn, Speaker of the House of Representatives in the Congress of the United States. I believe he is the oldest member of Congress, having the longest term of service.

Mr. Loptson: - Why not tell us something about Saskatchewan? We're not interested in the United States. We don't know him.

Mrs. Batten: - Get back to Canada.

Mr. McFarlane: - Yes, at least come back to Canada.

Hon. Mr. Brockelbank: - I would like my hon. friends to be interested in Saskatchewan and be interested in Canada, but I would like them to be broad-minded enough to listen to, and to recognize, words issued, words said by people like Sam Rayburn or others, no matter where they live. Let us not be too provincial in our point of view. The hon. member for Saltcoats made just now a very true statement. He said "I don't know" — and I agree he doesn't know.

Mr. Loptson: - I don't know the man, I said.

Mr. McFarlane: - Do you know him? Do you know the man?

Hon. Mr. Brockelbank: - The Honourable Sam Rayburn was talking about some of the businessmen in the United States . . .

Mr. Danielson: - Why don't you quote some of your socialists?

Hon. Mr. Brockelbank: - . . . and now I quote. He said:

Mr. Danielson: - Why quote a capitalist like Sam Rayburn?

Hon. Mr. Brockelbank: - The hon. member from Arm River wants to know why I don't quote some socialist. I am perfectly happy, on this occasion, to quote the Honourable Sam Rayburn. I will have a socialist for you later.

Mr. Loptson: - He's a millionaire, isn't he?

Hon. Mr. Brockelbank: - Mr. Rayburn says:

"These men, to hear them tell it, are free enterprise champions. They shout 'Socialism' when their Government builds a dam or curbs the

excesses of a monopoly; but such so-called free enterprisers don't want to be part of an economic system that is truly enterprising or truly free. They want a system fenced in and roped off with prohibitive tariffs and inside the corral a nation of captive consumers who must buy at their non-competitive prices, non-competitive at least with the other producers of the world."

Mr. Klein: - The Timber Board!

Hon. Mr. Brockelbank: - To continue:

"Those men, rich and powerful beyond the dimensions of their predecessors are allegedly capitalists, but their behaviour is that of anti-capitalists; hence they are potentially more dangerous to us than communists among us, because while we can stop the communists as enemies of our system, the anti-capitalists, rich and respectable, have society's unwitting sanction and unknowing support."

Mr. Korchinski (Redberry): - That describes the C.C.F.

Hon. Mr. Brockelbank: - Mr. Speaker, I wish my hon. friends would recognize that these things that are being done, today, in the name of free enterprise – the taking of excessive profits whether it is in General Motors or whether it is in Pipelines – those are the things that are uncontrolled exploitation of the people, which is the cause of a lot of our trouble.

Mr. Speaker, I shall support the motion.

Hon. W.S. Lloyd (Minister of Education): - Mr. Speaker, there is an old and very well known saying that "There are none so blind as those that will not see." It seems to me that nothing could better exemplify the truth of this statement than the comments and the attitude of the Opposition with regard to the Speech from the Throne, which we are presently debating. There are none so blind as those who will not see, except if you add to that those who will not listen either.

I should like to make reference to some of the statements which have been made by members opposite, which leads me to that conclusion. Just yesterday afternoon, for example, the hon. member for Humboldt (Mrs. Batten) was rather regretful that there was no mention made in the Speech from the Throne of the 'March to Ottawa'. Now she was correct in a literal sort of sense. The words didn't appear there, but for anyone who wanted to take the time to read the Speech from the Throne (as one might have thought she would have) one could have discovered the noting there of the

growing disparity between farm costs and farm prices, to which was added this statement: "It is apparent that steps must be taken by the Government of Canada to institute national policies to restore stability to our agricultural economy, and give to the farmers their fair share of the national income." That is the statement in the Speech from the Throne, this year.

I think it is worthwhile noting, although my seat-mate, the Attorney General, noted it most excellently, last night, that, had this statement appeared in the Speech from the Throne two years ago, there would have been great howls of protest from the Liberal members of the Opposition, that the statement was putting propaganda in the mouth of the Queen's Representative.

History, I submit, was never before known to record such a rapid and complete change of point of view as has been recorded in this Legislature by the members of the Official Opposition in their attitude toward the farmers' problems over the last eighteen months. It has been a sort of a 'Taming of the Shrew' in reverse. They have gone from being complacent and willing to being extremely critical about all things.

The Leader of the Opposition, speaking some days previously, moved an amendment which asked that more assistance be given to local governments. He failed to note, evidently, that the Speech proposed more assistance by way of school grants, a new and more equitable arrangement with regard to social aid costs and that it noted something more than 50 per cent financial aid from the Provincial Government for the grid road system.

We find them bewailing the lack of mineral development in the province of Saskatchewan, and yet the Speech from the Throne has this to say: "During 1958, Saskatchewan rose to fourth place among all the provinces in the production of mineral wealth."

They complain about the share of the budget which is devoted to the Department of Agriculture, and yet in this year which we are just now completing, the proportion of the budget devoted to the Department of Agriculture is three times the average of the proportion devoted during the last five years of a Liberal government. As a matter of fact the amount of money which will be spent by the Department of Agriculture, this year, is 2½ times the total amount spent by the Liberal government during its last five years in office.

The Opposition professes concern for the co-operative movement, and yet they fail to note in the Speech from the Throne this statement: "The value of services rendered by co-operatives doing business in Saskatchewan reached a record figure of more than \$560 million." They failed to listen to the Premier's statement: that the percentage of business done by co-operatives in Saskatchewan was substantially higher than the average in Canada.

One of the Opposition members was heard to say something like this: "The C.C.F. didn't invent the co-operatives and the trade unions."

That is a very obvious fact. Equally obvious is the fact that, in the main, however, it was the people who pioneered the co-operative movement and the trade union movement who invented the C.C.F. They invented it because they realize the necessity of taking political action as well as this kind of social and economic action if they were going to get a square deal.

The members of the Opposition natter away about education, and yet not one of them made any note of the reference in the Speech from the Throne about the tremendous part and future development of the University, a development which would have been neither necessary nor possible had there not been an increasingly effective elementary and high school program in this province preparing people for the University.

They have exhibited, Mr. Speaker, what was so very well put by the lady member for Regina (Mrs. Cooper), that 'monkey complex' – not just confined to industrial development, but extending across the whole range of development in Saskatchewan. I submit that anyone listening to the Opposition over the years must have been impressed by the fact that they have not, this year, introduced a single argument which they have not tried to use repeatedly over the years. They forget that those old arguments were answered effectively by the people of Saskatchewan in 1948, in 1952 and in 1956.

The outstanding emphasis in the Speech from the Throne seems to be that there is in it, and in the programs it proposes, an accent on youth. Let us just take a look at some of the main features: More school grants, providing more educational opportunities at the high and elementary school levels; a scholarship program for students, providing opportunities for those who wish to go on after high school; the development of the Technical Institute program, providing a different kind of choice for students; the proposal of the provision of loans for young farmers, and the whole emphasis on development of industrial development and of recreational resorts. This is not the program of a government that is decadent and dying. It is the program of a government which can look back on years of solid achievement in the development of resources and providing of services to the people of the province. It is a program revealing plans to be implemented, not some vague time in the future but this Session, to provide for further development of our resources and more services to the people of Saskatchewan. It is a program of a government which has faith in itself, in the people of the province and in the future of the province of Saskatchewan.

Now, as is always the case, we have heard considerable about increases in costs, in particular of educational services. I would like to repeat, as I have on many occasions in this province, some of the basic reasons for those increases in costs. First of all, all of us will admit the tremendous effect of inflation. I don't think that anybody would suggest that it is this Provincial Government or other provincial governments which can be held to blame for that particular development. Many of us will remember, too, the 1945 promise of the Federal Liberals when they were campaigning for the election – that promise which said something like this: "Return the Liberals to power and protect the value of your dollar."

A second reason why there has been considerable increase in costs is that the educational services in the province had been under-financed for so long. As a result there has been tremendous increases in teachers' salaries, and tremendous expenditure necessary in buildings and equipment throughout the province.

Thirdly, we have to recognize that we were at a normal period for replacement of many buildings which had been the first school buildings in the province of Saskatchewan, which had served well but needed replacement.

Fourthly, the current rate of taxation has been increased because of the willingness and the desire on the part of boards and taxpayers to pay substantial amounts of money for capital purposes out of current revenue.

Fifthly, this has been a period of very considerable expansion because of the needs of the people and the desire of the people for better educational standards.

I think it is important, too, when we note this matter of overall increased taxation, or increased costs, that we note also the very considerably increased assessment on which the taxes are based. That assessment has increased since 1945 by something like 30 per cent. That means that a mill of taxation in the provinces raises some 30 per cent more revenue than it did at that time. Most of this is new assessment, not due to a change in the value of assessment. Much of it is due to the inclusion of such things as railways, pipelines and new industries for taxation.

During this period of increased costs to everybody, we need to note again the fact of the increased grants during that period, an increase both absolutely in terms of dollars and an increase in terms of the percentage of cost carried by those grants.

In the year 1945-46, at which time this Government had already increased grants over the level paid by the previous government, the total grants amounted to something like four mills on the taxable assessment for education; it was equal to an amount raised by four mills of taxation on the assessment at that time. In the year which we have just completed, the total grants were an amount of money equal to some 18 mills on the present assessment. The total cost of education, in 1945-46, was about \$14½ million. Our total grants, in 1958, were about \$20 million – more than the total cost of education in 1945-46. The grants, in 1945-46 represented some 40 per cent of the cost of last year. The grants, in 1945-46, represented about \$20 per pupil; in 1958-59, about \$105 per pupil, so that, during all of that period, there has been a consistent and steady effort on the part of this Government to make available increased financial assistance as it was available to the Government, for the use of our local school boards.

I want now to turn to some more detailed examination of what has happened in the province over the last five year, the years 1954 to 1958

inclusive. I propose to give to the House some considerable (perhaps too many) statistics, to indicate the qualitative growth during that period and the quantitative growth as well.

Let me, first of all, look at the rate of taxation in the 56 School Units in the province. In one of these there has been a decrease of one mill in the basic rate of taxation. In 16 others, during this period, there has been no increase. In about 25 per cent of the assessment of the School Units of the province there has been no increase over the past five years, or a decrease of one mill rate. In 28 of the Units the increase has been of two mills or less – that is, in about one half of the assessment in the School Units the increased taxation over that period has been two mills or less. In 23 others the increase was from three to five mills, and in the remaining six the increase was six mills or over. May I just say with regard to that six, with one exception they had spent one or two or three or five mills a year, on the average, in providing capital money out of revenue.

There has been an increase in taxation even in spite of the increased grants in some of these areas. Let us see what was happening within those areas during that period. There was, to begin with, a change in the number of teachers – a very slight decrease in the number of elementary teachers, but an increase of almost 200 in the number of high school teachers employed; an overall considerable increase in the number of high school teachers. There has been an estimated increase in teachers' salaries in the Units of about \$4½ million. This increase in salaries would have required about six mills of taxation to meet, by itself. The elementary school enrolment has remained about the same, but you will note that I mentioned they employed fewer teachers – 130 fewer teachers are teaching about the same number of elementary students. This means, of course, that we are using much more effectively the services of our teachers. The high school enrolment on the other hand has increased by something more than 20 per cent. The number of students being conveyed to school has increased from 8,700 to 24,000, the number conveyed, in 1958, being approximately 276 per cent over the number conveyed in 1954.

During this period the capital debt in the Units increased some – not nearly as much as one would gather in reading the address of the Leader of the Opposition, when he was speaking to the Women's Liberal Association some time ago; but for a rather pleasant young man speaking to a group of ladies on a Saturday or Wednesday afternoon, one has to make some allowances. The capital debt increased by about \$3,300,000, amounting now to some \$9,000,000; but, during the period, the assessment of the Units increased by about \$40 million. They have an assessment of some \$750 million, so that total increase in debt could be liquidated by about four mills of taxation. As a matter of fact, their total capital debt could be liquidated by 12 mills of taxation applied in one year; and when you consider that this debt is spread over 10 or 15 or 20 years, it is easy to conclude that the load of capital debt is not large. But even though they did increase their capital debt during that period, let us see what they did with it, because the Units built, during that period, nearly 1,200 classrooms. That is more than one for each school day during those five years. They added to that some 300 teacherages and about 30 other buildings such as offices, garages and

so on. They spent something over \$16 million in building; they increased their debt by only \$3.3 million. During this period, too, they increased their securities and their investment by some \$165,000, to a total of approximately \$1,000,000 at this time.

Secondly, I want to look at a large group of schools which are operated by our ten cities and our two larger towns. In those the increase in mill rate has been somewhat greater over these five years. One of them has a decrease of one mill; one of them had an increase of $2\frac{1}{2}$ mills, so about 30 per cent of the assessment of the cities and towns had an increase of $2\frac{1}{2}$ mills or less. As a matter of fact, about three-quarters of the assessment in the cities and these large towns had an increase of about six mills or less. During this period the cities added to their staffs some 600 more teachers. This is some evidence of the development and the growth which is taking place in the province; that during a period of five years, our 12 larger centres added to their staff over 600 teachers. They increased teachers' salaries by some \$3,400,000, and to meet that increase alone would have taken some 13 mills of taxation had it not been for increases in grants and improvements in assessment during that period. Their elementary enrolment increased by some 25 per cent and their high school enrolment increased by some 25 per cent.

The capital debt of the cities and the two larger towns of which I speak increased relatively and absolutely more than in the 56 Units. It increased by some \$5,800,000. They increased their assessment during that period to carry that capital debt by about \$60 million. As I mentioned just now this is relatively and absolutely more than the debt in the Units. I think there is some adequate justification as to why there should be this relationship. To begin with, I am still convinced (as are most of the people I have talked to) that one mill on urban property is still a lesser taxation weight than is one mill on rural property. I think it is correct to say that school grants in Saskatchewan have always taken that fact into consideration. Hon. members will remember not so long ago when the school grant in our larger urban centres for elementary schools was 90 cents a day, whereas for rural schools, perhaps with three times the assessment, it was \$1.50 a day. Hon. members will remember not so long ago when there was no equalization grant of any kind for any urban schools except villages, when there was some equalization grant for rural schools.

In addition, it is still true that urban districts, because they have a more varied assessment basis and because they come, generally, all within one municipality, can still borrow money at more reasonable rates than can our School Units. It is also true that the urbans have provided for themselves more facilities, such as gymnasiums, auditoriums, libraries, laboratories, etc., in connection with their schools. During this period when there was an increase in debt, the urban centres built something like 700 new classrooms. There was well over \$10 million in building, and an increase in debt of only \$5,800,000, the difference being due to capital grants paid by the Department and through capital payments out of revenue.

I would like to look briefly, for a moment, at the grand totals for the province again during the years 1954 to 1958 inclusive. During that period, over 2,000 new classrooms were built. This represents something like 1.1 classroom for every day, winter and summer, for each of

those years. They built over 300 new teacherages, as I mentioned before; and the total debt is still less than that of our neighbouring provinces, and would require a lesser mill rate to liquidate. About \$9 million in the whole province has been added to teachers' salaries during this period. There has been an increased enrolment of some 18,000 elementary and high school students. School grants have doubled from \$10 to \$20 million; the percentage of costs carried by those grants increased by about 10 per cent.

I turn from that to speak of some qualitative measurements with regard to our Saskatchewan school system. I admit that the matter of quality in education is always something which is going to be affected to a considerable extent by the opinion of the person talking about it. I do submit, however, that there are some quantitative measurements which do indicate without a doubt qualitative improvement. For example, it is always an important measurement to consider the retention of students in school up until the end of the normal school period of Grade XII. Out of every 100 Grade VIII students in June 1949, there were 67 in Grade X in 1951, and 36 in Grade XII in 1953. Let us look at the situation five years later. Out of every 100 students in June of 1954, there were 74 in Grade X two years later, and 47 in Grade XII in 1958. So there is a seven per cent better retention at the Grade X level and a 0 per cent better retention at the Grade XII level. These figures do not include those who are enrolled in private schools and, if these were added, as they should be perhaps, then the percentage improvement would be still better.

Secondly, last year (1958) there were issued, in Saskatchewan, Grade XII diplomas to some 3,700 students. Five years previous to that, the Grade VIII enrolment was about 14,000. Let us go back to 1953. In that year there were issued some 2,500 certificates to students having completed Grade VIII; and the Grade VIII enrolment five years previous was 13,500. In other words, the Grade VIII classes, in those two years that I have mentioned, were about the same in each case; but the Grade XII completions in 1958 were approximately 50 per cent greater. This indicates a number of things, among them the better holding power of the schools. This is partly the result of transportation arrangements providing opportunity for youngsters to get to school. It reflects, too, an increased interest on the part of parents generally throughout the province.

My third measurement is to compare the number of students enrolled in their first year at the University or the other Colleges in Saskatchewan, or Teachers' College, or in Schools of Nursing, with a number of people receiving Grade XII diplomas during a period of years. During the period of 1952 to 1957, the relationship of Grade XII graduates to first year students in those institutions ranged from 60 to 65 per cent. In 1958, the relationship of students completing Grade XII to the number enrolled a few months later at those institutions, was some 70 per cent. This indicates without a doubt the fact that more of our young people are going on after Grade XII, showing a greater holding power and a greater motivation power of the schools.

The fourth set of figures that I want to refer to the Assembly are those given by President Thompson of the University in speaking to

University graduation exercises, last spring. He pointed out that, in the last six years (at that time 1951 to 1957), University in Saskatchewan had increased by some 75 per cent in the full-time students taking degree courses. With regard to the non-degree courses and the part-time course students, there was an increase there of some 4,500 students, or about 50 per cent. To that we can add, this year, a further increase of which we know now, because of enrolment, this fall, of some 500 students. So we can say that the enrolment at the University, during the last seven years, has doubled. Dr. Thompson pointed out that this was not only a gain absolutely, but that it was a gain percentagewise. In 1952, one out of every 22 of our 18-to-21-year-olds in the province were at University; but in 1957, one out of every 12.5 of the 18-to-21-year-olds were enrolled at the University. If one takes the percentage of the whole population of Saskatchewan enrolled in degree work, in 1952, it was one out of every 364; in 1957, it was one out of every 228. Schools are providing better motivation. The Student Aid Fund is providing essential assistance in helping more of our young people to continue with their educational work.

Finally, President Thompson pointed out that, in the year 1934, 40.6 per cent of first-year Arts students failed two or more classes, whereas, last year, only 26.5 per cent failed two or more classes; in 1934, only 40 per cent passed all classes, whereas, last year, 56.5 per cent passed all classes. I think the members of the Assembly can be assured that this is not because University examinations are getting easier. It is because students are better equipped to deal with the difficulties confronting them at the University when they get there.

I want to give the Assembly one further quotation from the President's report, in which he said this: "No matter what criterion of success or failure is used, the results in recent years have been better than those of a quarter of a century ago." This is a statement which will be echoed by practically every university president all across Canada.

Let me look for a while at some of the reasons which recommend themselves to me in explaining this qualitative improvement. First of all, I must mention the improved level of teacher certification in the province; and here, I have reference to a publication put out on November 1, 1958, by the Canadian Teachers' Federation Research Division. This publication had reference to the percentage of teachers with senior matriculation and one year of training or higher qualifications. It compares the school years of 1952-53 and 1956-57. It showed this: First, that the totals for all of Canada actually show a decrease, a very small decrease of minus $\frac{1}{2}$ of 1 per cent. There was an increase in six provinces ranging from 2 per cent to 9 per cent. In both of our neighbouring provinces there was a decrease in the percentage of teachers with senior matriculation and one year of training or higher qualifications. It showed with regard to Saskatchewan that in 1952-53, we had had the highest percentage of teachers with this amount of training; that we had increased the greatest during the five years, and that, consequently, we remain the province with the highest percentage of teachers with that training in 1956-57, having at that time some 91.2 per cent of our teachers so qualified.

I would now like to break down this teacher certification just a bit further. About 15 per cent of our Saskatchewan teachers have one or more University degrees – that is Grade XII plus four or five years. This percentage, I want to state quite frankly, is too low, and it is one of the points about which we need to be concerned. About 28 per cent more have a standard certificate; that is, Grade XII plus two years or possibly three years of university. Adding those together it can be seen that some 44 per cent of our teachers have two years or more of preparation after Grade XII. The percentage with this level of training is 6 per cent higher than it was last year, and it is 25 per cent higher than it was 10 years ago. Let us remember, too, that many of the teachers who don't have two years of preparation in a formal institution, have many years of experience in the classroom and outside of the classroom, which makes them excellent teachers.

I think, too, in noting the reasons for this qualitative improvement we must have reference to an increased desire on the part of many parents for better education for their youngsters. Of an increased public interest in and public understanding of education, its problems and its potentials, we must also take note. We must note, too, the public willingness to provide facilities and pay for educational services. One reason for this increase is certainly the leadership which has been provided by the officials of the Department of Education, by the Trustees' Association, the Teachers' Federation and the Home and School Association.

A third reason why there has been qualitative improvement lies in the organization of Larger School Units in the province, a move which has contributed much to the retention and recruitment of teachers, a type of organization without which we couldn't have had the conveyance programs and the building programs, making it possible for more young people, particularly rural young people, to go to high school, to better high schools. We would have to give credit to a diversified curriculum and the emphasis which this curriculum places on individual differences. In putting this into effect let us remember, again, that the size of the school is important and the qualifications of the school are important.

I need only mention the Student Loan Fund, and I will take an opportunity later in the Session when an amendment to the Act is underway, to quote further with regard to this fund.

Finally, the increased school grants. May I just review again – some \$3,000,000 more last year than the year before; about \$4,000,000 more that year than the year prior to that; about \$2,000,000 more that year than the year prior to that; during the last five years growing from \$10 million to \$20 million.

While I have no hesitation whatsoever in saying that the Government and every member of this Legislature, Opposition or Government, can be pleased with that record, there is certainly no reason for any of us to be either satisfied with it or content with it or complacent about it. There are still too many students not finishing high school. There are still too many teachers not well enough qualified. There are still too many students not proceeding through school as quickly as they could, or with the scope of courses which they could master. There are still too many talented

students not continuing their education, and there are still too many entering University but not completing their course.

We have done something about every one of those – I have just given you the statistics to illustrate that progress has been made. The Speech from the Throne indicates that we have plans to continue doing something about each of these things. The Speech from the Throne points out that there will be again, this year, substantial increases in school grants. It points out that there will be developed a scholarship program. Even without the plans for a scholarship program it is possible for us to say that a student needing financial assistance in Saskatchewan, wishing to continue his education after Grade XII, has a better chance at getting it here than in any other province in Canada. The scholarship plan will improve on that.

Many of us have noted, during recent months, comments made about a scholarship plan from the University of Toronto. This sounds like an excellent plan. There have been newspaper comments from one end of Canada to the other about it, and I, like all other serious people, will hope that it materializes; but at present it is only on paper; it hasn't yet been financed.

The third matter, one which has already been announced, and which will take effect later in the year, is higher entrance standards for Teachers' College. It is now some months ago that the Department of Education pointed out that, beginning with the fall of 1959, an average of 60 per cent would be required in order to obtain admission to Teachers' College. This will give us better selection, and we expect better retention of students after they have completed their course. It was possible to do this at this time because of a gratifying increase in the enrolment of students at Teachers' College and the College of Education over the past five years. During that period it has increased by about 45 per cent, by about 400. The College of Education enrolment has doubled. This year, at our Teachers' College in Saskatoon, we have approximately 500 students, some 339 at Moose Jaw; there are 483 at the College of Education, make a total of 1,313 – about 300 more than we had last year.

Then those students not wishing to continue through University or through Teachers' College are being given increasing attention. Under the sponsorship of the Department of Labour there is a steadily and gratifyingly growing apprenticeship plan. There are courses already available with regard to rehabilitation of handicapped persons, there are nursing assistant courses which are popular and which I hope will be expanded; there are already in operation two classes in connection with the Technical Institute, even though the institute isn't built yet. One of these is the first year of a two-year course for engineering assistants; the other is a one-year course for people having to do with the maintenance of heavy road equipment and so on.

The Provincial Technical Institute will come into operation in part (because it will only be partly built), this fall. The majority of the training at first will be at the trades training level, but gradually, both in total numbers and percentages, there will be a shift to the training at the technician level, which will mostly consist of two-year courses.

This will provide additional educational opportunities – the upgrading of skills for many; and it will supply human resources for the development of our natural resources.

I want to turn now more specifically to some of the comments made by members of the Opposition with regard to some of the activities of my Department. Since Friday I have interested myself in the form referred to by the hon. member from Willowbunch (Mr. Klein). I have informed myself with regard to its source, how it is compiled and how it is used. After having done so, I must admit that, if I were to accept his assumption, if I were to look at it with one eye half closed, if I were to credit his generalizations, then I would have to say that things are much worse than the terrible state which the hon. member described to us. I would have to suspect that there was an international plot afoot to poison men's minds and to destroy the moral values of educational systems, all over. But having read this Controversial Issues Rating, having looked at its source, having informed myself as to the use, I do not so believe. I think that I can do nothing better to convince the Legislature and the people of the province of the puerile puniness of his accusations than by reading some of this material, by considering its use and by laying on the Table, Mr. Speaker, two copies of the Rating for the information of the members.

Let me say, to begin with, that the material given to students was not a questionnaire; it was a series of statements taken, with some adaptation, from an American text. I have that text on my desk. I assure you, Mr. Speaker, I have not read it. I don't intend to read it to you today and I doubt very much if I shall ever read it; but it is an imposing looking book. They tell me it costs \$7.50, so it probably never will become a best-seller. But since the hon. member has something to say about universities in this question, I thought I should have reference to the authors of the text from which these questions were taken. One of them is a senior member of the Institute of Social Research; one is a lecturer in psychology at the University of California; one is a career investigator with the National Institute of Mental Health in the United States and a research associate in social science at the Harvard medical school. The fourth person who collaborated in the text is a professor of psychology and associate director of the Institute of Personality Assessment and Research at the University of California. So they are engaged at least by some rather reputable institutions.

There were some adaptations in the statements which were used. This is because the statements were transferred from the American scene to the Canadian scene. And so, instead of using the name 'Henry Wallace', who was a controversial political figure in the United States, the name of 'Stanley Knowles', who is a controversial political figure in Canada, was substituted. Instead of having reference, when using a statement with regard to discrimination or supposed discrimination, to Japanese in the United States, the Doukhobors in British Columbia was used, and so on.

Now I want just to read some of the statements, Mr. Speaker, to see whether they are as degrading and immoral and as slanted and as indoctrinated as the hon. member would lead us to believe. Take this one,

for instance:

“Some people agree and others disagree with the following statements of opinion regarding a number of social groups and issues. Please mark each statement in the left-hand margin according to your agreement or disagreement as follows:”

They may mark it then with a statement which indicates all the way from “Agreement with slight support” to “Disagreement with strong opposition.” Notice again, Mr. Speaker, it isn’t a questionnaire. It is a series of statements, and the students are asked to check their own opinions with regard to those in the statement. Let us see some of these statements used to get students to examine their personal attitudes. Take this one, for example:

“Now that a new world organization is set up Canada should make sure that she loses none of her independence and complete power as a sovereign nation.”

Now if I were to accept the reasoning of the hon. member from Willowbunch I would have to say this is indoctrination against international co-operation. Or take this one:

“Manual labour and unskilled jobs seem to fit the negro mentality and ability better than more skilled and responsible work.”

Using his yardsticks this is promoting the colour bar, I presume. We can take this one:

“Men like Henry Ford and J.P. Morgan overcame all competition on the road to success and are models for all young people to admire and imitate.”

This, of course, is indoctrination in favour of unrestrained free enterprise. Or, let us take this one:

“The best guarantee of our national security is for the western powers to have the biggest army and navy in the world and the secret of atom-powered long-range missiles.”

This is indoctrination in favour of bigger and better armaments, I suppose. Or take this one:

“The real danger to Canadian culture, during the last 50 years, has come from foreign ideas and agitators.”

You would have to take that one as indoctrination for Social Credit.

This is the kind of statement which appears on this Rating. The ones that I have read are sufficient to illustrate the variety of opinions which the students are asked to examine. The statements are slanted, that is true. They are slanted to represent the prejudices and the points of view felt by different people in our society, and all of us will know people who hold these points of view. They are slanted, but they are not slanted all in one direction, and I want to ask, Mr. Speaker, since when has there been any harm in asking people, particularly asking students, to think – to think about problems on which people take sides? Are teachers in training to be produced in an incubator, isolated and insulated from all controversial ideas? Let us keep in mind that teachers in training are not children. They deserve a respect for their intelligence; a respect which only comes from giving them the opportunity to be exposed to controversial ideas.

May I say further with regard to this. It has been used not only at Saskatoon Teachers' College, where it was used for the first time, this fall, but it has also been used at Moose Jaw Teachers' College. It has been used in connection with university classes in this province for teachers in training, it has been used in connection with university classes for nurses in training, and it has been used in the United States. I may say that maybe it is going to get worse, because the faculty members at Teachers' College in Moose Jaw and Saskatoon have been commissioned by Macmillan's Publishing Company of Canada to prepare a text book on teaching social foundations and they are considering whether or not they should use some such statements as this in the text book. So here you have a great publishing company like Macmillan's of Canada entering the field of destroying the morality of teachers and the educational system in Canada!

In one of the institutions this very excellent use has been made of it. After the students have examined both their own and the group's reactions to the statements, they have been provided with, and asked to read, a copy of the United Nations Declaration of Human Rights and to assess their own previously stated opinions accordingly. Now the Declaration of Human Rights may be, to some, a controversial statement. Perhaps it, too, should be banned as being dangerous and an item which shouldn't be considered before teachers in training.

It may be the opinion of some that the preparation of students for teaching should be confined to instruction in how to teach multiplication, in how to memorize the dates of all the wars in the world, in how to recite with great feeling and pathos 'Mary had a Little Lamb' and 'Curfew shall not ring tonight'. To do so would be to deny to the children whom they teach some fundamental rights which all children have – the right of being taught by people who have given some consideration to the conditions of the world and of the society in which they live.

I want to read one statement from a publication by UNESCO, a statement entitled 'The Education of Teachers', in this case in England, France and the United States of America. It is this:

"Even more than other citizens it is the responsibility of teachers to try to see as clearly as possible the issues in the local and world society."

To this purpose the Social Foundation's course has made, and will continue to make, a valuable contribution.

May I turn now (and I do so with some regret) to the comments of the hon. member who raised in this House the unfortunate situation in the town of Pelly. There are in that town some very strong community tensions, and I want to say that I do not think anything is achieved with regard to alleviating those tensions by broadcasting discussions about it in this Legislature, in the newspapers of the province and over the air, or by making a political football out of it.

I think that everybody who listened to the hon. member will have noticed that he apparently agreed with everybody – except the Department of Education, of course. It is a bold and courageous and productive position for one to take. He was for the teacher and against the teacher; he was for the school board and against the school board; he was for the parents who were keeping their youngsters out of school and against the parents who were keeping their youngsters out of school. The Committee who, on behalf of the Department of Education, inquired into it were excellent people, but he didn't like what the Department of Education did in carrying out their findings.

Now I join with him and with all other members of this House in expressing regret and concern about the condition, particularly because of the effect on the youngsters. They have been subjected to a considerable amount of tension; they have had lack of tuition from a teacher for some months. May I remind the hon. member, this Legislature and the people of the province, that the tension was not of the making of the Department of Education. Secondly, we must remember that the school is, and has been available at all times to the children who are in question.

Now there were a series of criticisms made, one of which I quite frankly admit, Mr. Speaker, is warrantable. That was the criticism of myself that the statement appeared prior to the time the letter from another office in the Department had arrived in the hands of the teacher. The letter was written on January 12th; the statement appeared in the afternoon edition of the paper of January 13th, and in the morning edition of the 14th. I think had it been left to the mail alone, the letter would have arrived before the paper; but the reporter telephoned and, of course, the news was broken that way. In that regard I say quite openly that it was an administrative error and one which should not have occurred, and I can only take responsibility that the error was made.

Let me turn to some of the other criticisms which have been made. First of all, there is the criticism that there was some delay with regard to the issuing of correspondence courses. There was a delay, it is true; but may I suggest that you do not lightly give permission to use correspondence courses to youngsters living in a district in which there is a school operating. Had we acted immediately on the request, it would have jeopardized whatever chance there was of getting the children back to school, and so we delayed. When it became apparent that the problem was not to be settled quickly then the courses were provided.

Secondly, the Department of Education was accused of not using the compulsory education law in the province of Saskatchewan. Well, Mr. Speaker, I think it is true that law is best used, and most effectively used, when its use is tempered with wisdom. The local attendance officer in that area could have, and could now, have warned and prosecuted the parents if they did not heed the warning. If the case had been proven, if the parents did not decide to send the youngsters back to school, then the parents could have been fined and sent to gaol. Is this the kind of action which the hon. member suggests ought to be taken? Is this a solution, Mr. Speaker? I raise this important question: is victory for one group more important than agreement in a community, if it is possible to get agreement in a community? I know what my opinion is. The compulsory education law recognizes the right of the parent to some choice as to where attendance shall be and what form of instruction shall be given. The choice of the parents is that, at the moment, the students are receiving correspondence school instruction. I want to point out again that there is nothing to prevent the attendance officer in the area, who is not an employee of the Department of Education, from taking action if he felt such action could be useful.

There was certainly a criticism because of the time taken in this matter. Well, there was considerable time taken; admittedly. Here was a community which was very considerably divided. Here was a local school board which was divided in its opinions as to what ought to be done. I suggest that it is a basic principle of good government that problems be settled by the people at the local level, if at all possible. There are many problems which can only be settled at that point, and I submit, in effect, this is one of them which is going to have to be settled by groups at the local level compromising on some point or other. While the Department of Education, over a period of many weeks, through the offices of the school superintendent in the area and visits by the Chief Superintendent of Schools and, finally, by a Committee representing teachers, trustees and Department, tired to affect a local settlement it was time-consuming and we did not succeed; but I still think it was better than to have taken some precipitous action.

So far as I can see there is only one action which the Department of Education could have taken which would have brought matters to a head, and that would have been to have suspended, or cancelled, the teacher's certificate; and I don't think anybody has suggested that that should be done. The Department didn't, and doesn't, feel that action of that kind is at all warranted. This raises the question of the future.

Let me make this point plain, Mr. Speaker, although it is well known to all here. The Department of Education doesn't hire, and doesn't fire, the teachers who are employed by a school board. The teacher has a legal contract with the board. The law provides that the board, if it wishes, may act to terminate that contract. The law provides also, if the teacher does not want to accept that notice of termination, that he, in turn, has recourse to legal procedures. I say again that it is a good principle of government, that local government should have the right and responsibility to exercise necessary authority. Also that recourse to procedures of law to settle grievances against the use of that authority, should be available.

These principles have been accepted by this Government; this Legislature has provided such recourse to the law.

I must admit, Mr. Speaker, it has been an unhappy situation, but short of the Department of Education dismissing the school boards involved, and the appointing of an official trustee, and taking some kind of action, I do not see anything further that the Department of Education could do by way of using authority. This action I do not propose to take because I do not think it would be productive of anything worthwhile, and I do not think it is warrantable. The situation, as I say, is one which, in the end, will only be solved when there is within the groups in the community the necessary compromise to make possible a settlement.

I turn now to the remarks made, yesterday afternoon, by the member for Melville (Mr. Gardiner). I would like to say, to begin with, that, this morning, officials of my Department had an extremely pleasant and mutual and profitable discussion with one of the school boards from his area. We have had many before, from many school boards, and we shall undoubtedly have many more in the future. I think it may be taken for granted that all school boards will not reflect the point of view which the hon. member stated in this House yesterday. He didn't really need to stand up in this House and rejoice with regard to the adverse vote on larger units in that area. He didn't need to do that, because the day after, or very shortly after the results of the vote were made known, he did this in the newspaper, publishing with his rejoicing an attack on the superintendent of schools in that area. He has been well answered, not by myself but by representatives of local people, in the same newspaper in which he made his statement. May I just say this with regard to the vote. It was held at the request of the executive of the Trustees' Association in that superintendency. The date was set in accordance with their wishes. The outside speakers and meetings were in accordance with their wishes. We have proceeded on this basis before, and we shall do so again. There was one reason only why the Department of Education would have preferred a favourable vote in that area, and that reason is represented by the welfare of the children. We would have preferred a favourable vote, because we are convinced from our experience that such a favourable vote would have advanced the welfare of those youngsters.

May I also have reference to the Student Check List about which he waxed eloquently for some considerable time. As I intimated yesterday, there was some truth in what he said. There was a meeting in his town at which the Supervisor of Guidance was present – present at the request of the principal to discuss the inventory. I would like to point out this is not a questionnaire. It is a personal inventory, the type of which is used in thousands of schools across this continent. It is rather interesting to note that in all the meetings in which it was discussed, it was only the one to which he referred in which there was any opposition to it. Because there was some opposition raised to it there, the principal of the school did not use. Before it was used at all, it received the endorsement, or almost complete endorsement, of some 500 parents at Home and School meetings held across this province.

The Supervisor of Guidance was anxious to use it as the basis of a study, because he wanted to get a listing of those problems which Saskatchewan students feel to be of importance, and the order of importance which they assign to these problems. As a result, with the full support and co-operation of the Home and School Association, the teachers and the school boards, this was given to some 1,000 students in a number of schools across the province. These schools range from a one-room high school to a Grade IX class in a city collegiate; they included one Catholic Girls' academy; they included one Protestant Church school. Isn't it strange, Mr. Speaker, that from none of these came any protest whatsoever, except for the one at which the hon. member for Melville happened to be present! It could be, of course, that the other people took the trouble to listen to what was said about it, and to think about it, and to give consideration to its value.

Mr. Gardiner (Melville): - Mr. Speaker, on a point of privilege, I believe the Minister has made a reflection on the people who were at that meeting, from my district. I can assure him that the meetings were held in groups. I was just in one of them.

Hon. Mr. Lloyd: - Mr. Speaker, my statement is that it is passingly strange to me that the only meeting from which there was received any protest, the only meeting at which it was decided not to proceed with these, was the one at which he was in attendance. Now, if it was a reflection on the people that he was in attendance, then I must accept his correction.

May I say that it is not important, really, whether the member for Melville thinks students have problems or not. But it is important whether or not students themselves think they have problems, and it is important that schools and homes and church know what problems the students think they have. The results of the opinions of the 1,000 students were later on tabulated. They were distributed to schools by way of a 'Guidance Newsletter' which goes out regularly to high schools across the country. Interestingly enough, Mr. Speaker, the 'Guidance Newsletter' which takes the results of the survey out to the schools, was sent out in March, 1956 – some three years ago. We wonder why three years have been allowed to elapse before bringing this dastardly thing to the attention of the members of this Legislature! The newsletter contains some suggestions with regard to the implications which the opinions of these 1,000 students had for the school and for the parents, and I want to read the concluding paragraph, because it gives some insight into the reason why this check list was used:

“This Report gives some concrete evidence of problems and problem areas facing our youth. A study of it may lead to action in several directions. Some districts may wish to hold a conference on youths' problems such as was held in Carrot River. Others may wish to assist in vocational guidance, through career nights, or by forming local guidance councils. School boards may decide to foster and support strength and guidance programs in their schools; parents may decide to extend their efforts

to work with the school and church, and to bring about a more satisfactory relationship within the home. Schools may develop more productive guidance services.”

May I say that, if the submitting of the forms to the students and the summarizing of their results had any effect on stimulating any one of these activities, it would still be very much worthwhile. Surely, Mr. Speaker, there is no harm, and surely there is great good, in asking students to take out their problems and look at them! Surely there is considerable good to be had in reminding students that help is available from the school, the home and the church with regard to those problems! Certainly there is great value in the home and the school and the church knowing what students consider to be their problems.

It is true that this sort of activity could be misused by an indiscreet or an inadequately trained teacher; but I think that the procedure prescribed for using these forms – they were discussed first at a Home and School Association, then taken to the school board, and finally it had to be approved by the Superintendent of Schools before it was used in any school – would preclude such misuse. This matter of helping young people to remove these kind of problems is important in itself; it is also important to the academic success of these young people. They will not, and cannot do their best if they have these kinds of unsolved problems facing them. It is important, too, if we are going to be able to properly trust students in our schools on the basis of individual differences. A very wise man once said, “God made no sisterships”, and that is extremely true. We need to know the differences of these youngsters in the schools, if we are going to treat them as individual and different human beings. There is a great deal of discussion in this Legislature and in the country, from time to time, with regard to mental health, with regard to temperance education, and may I say here that one of the best ways to advance the mental health of our people, to advance the cause of temperance, is to remove from within people, young and old, the conflict and tensions which all of us know are there; to help them develop the habit of looking squarely at their personal problems, and to let them know where it is they can go to get some assistance, in case they want that assistance.

I want to continue with regard to the hon. member for Melville and what I consider to be his scurrilous and unscrupulous and unprincipled remarks and attack on superintendents of schools, and particularly on the Deputy Minister of Education. He inferred, to begin with, that the majority (at one point I think he said ‘all’, but later he said the ‘majority’) of superintendents of schools were people of not really much experience and not much proven ability.

Mr. Gardiner: - Mr. Speaker, on a point of personal privilege. I never made the statement that superintendents were people who did not have intelligence or proven ability. The statement I made was that the average superintendent had not had an opportunity to take part in administrative work in schools as trustees – and they had been teachers. That’s the only statement I made.

Hon. Mr. Lloyd: - Mr. Speaker, the procedure which a person has to go through before he is accepted as a superintendent of schools is this. He applies for the position – a position which is described, and for which there are certain basic qualifications necessary. His name must be among those approved by a panel. This panel includes a representative of the Public Service Commission, a representative of the Department of Education, and one outside person not connected with the Government. We have, within the past, used as this outside person such people as Mr. Albert Douglas, of the Trustees' Association; Dean Riddell, of Regina College; Mr. Hunt, Superintendent of the City Collegiate School system, and a number of well-known persons around the province. It is this group of people who must, first of all, say this person has the basic qualifications, answering the specifications as written, and making it possible for him to do this job well. I can say without any fear of contradiction that our Saskatchewan superintendents are an able group of men who will compare favourably with any similar public employee in any other province in Canada.

Particularly, Mr. Speaker, do I resent the kind of inference made by the member for Melville with regard to the Deputy Minister of Education. He was a C.C.F. candidate in this province at one time. My only response to this is – so what? So what? I have employed in my Department some who have been Liberal members of this Legislature. I have employed one who was a Conservative Premier in this Legislature – one whom the preceding Liberal Government refused to give any consideration to, by the way. And I will continue to be in favour of employing such people, if I think they have the qualifications necessary to do the job which I think there is for them to do.

Govt. Members: - Hear! Hear!

Hon. Mr. Lloyd: - I chose the present Deputy Minister not because he had been a C.C.F. candidate, but because of his ability in the field of education, ability which had been proven, and known to me for a great many years; and I submit, Mr. Speaker, that the wisdom of my choice has been vindicated many times over during the last 10 or 12 years. There are few people in the public service of this province, or any other province, for whom I could find so many people of all political faiths – not just C.C.F. but all political faiths, including the Liberal Party – at the university, among the trustees, the teachers and the public, ready to testify as to the ability indicated by his more than 10 years of office.

A few years ago he was honoured by being elected President of the Canadian Education Association, the senior educational association of Canada, made up of representatives of all the departments of education, a member of national educational organizations, and representatives from a number of universities. Two years ago he was chosen by this group as a delegate to represent Canadian education at an international conference in Geneva. He was given the opportunity to have the same honour again this year. I think, Mr. Speaker, that every member of this Legislature, including the Opposition, will regret that such a person should be subject to the muckraking attempts of insinuation and innuendoes as used by the member of Melville, yesterday.

Mr. Gardiner: - Mr. Speaker, on a point of privilege. I would just like to ask the Minister a question. Does he think the statement of the Deputy Minister being a C.C.F. member is a scurrilous expression?

Hon. Mr. Lloyd: - Mr. Speaker, the question is really too childish to warrant any answer.

Mr. Gardiner: - That's all that was said!

Hon. Mr. Lloyd: - May I point out this. It was not just that one remarks, but through his talk - "My school board", he said, "stays as far away from the Department of Education as possible, because of some of the things they do there." That is one example. All through his talk about the supposedly nefarious influence of the Department of Education, and punctuating this with references to the Deputy Minister involved. He isn't going, as far as I am concerned, to be allowed to slide out in this kind of a way from a statement which, I repeat, in my opinion was scurrilous, unscrupulous and unprincipled, and with which I think probably most of his colleagues over there will agree with me.

Mr. Loftson (Saltcoats): - That is not scurrilous . . .

Mr. Gardiner: - That's your opinion!

Hon. Mr. Lloyd: - Most people, those at least who have thought about the problems of government, understand the importance of an effective staff of public employees. This Government, I think, has done remarkably well, has been remarkably fortunate in gathering together an excellent public service, and I am particularly proud of our Deputy Ministers and heads of staff. I would like to say this. One of the reasons why it is sometimes difficult to recruit and retain the people whom we ought to have in the public service, is that they are sometimes subject to the kind of attack which we heard yesterday afternoon in this Chamber.

I want to conclude with some references again to the attitude and actions of the Opposition during the Throne Speech debate. They have said that they do not support the Throne Speech motion. That means, I presume, that they oppose it, and the contradictions involved in that kind of a stand need to be examined. They ask for more for local governments, but they oppose a motion which will provide more school grants. They ask for more education opportunities, and oppose a motion which is going to provide scholarships for University and Teachers' College students. They ask a better distribution of costs as between provincial and local governments, and oppose a motion for a new Social Aid Act, which will move in this direction. They oppose uniform time legislation, but they also oppose the motion referring the question back for further consideration by the Committee which, two years ago, recommended uniform time legislation. The member for Meadow Lake (Mr. Weber) asked for government action to develop credit unions in northern Saskatchewan, but suggests he is going to oppose a motion outlining plans to increase co-operative development in northern Saskatchewan. The member for Turtleford (Mr. Foley) asked for lower taxes, but proposes that the

Provincial Government take over the cost of equalizing railway freight costs as between Regina and Saskatoon. The member for Humboldt (Mrs. Batten) asks for lower taxes, but proposes a great increase in the program for the mentally ill. One has only to look at those contradictions, and, repeating the question of the hon. member for Humboldt, to ask who it is that is out of touch with reality.

In all, Mr. Speaker, I submit again they have not, in this debate, advanced a single idea based on any evidence as to how the motion and its intent could be improved. May I submit that the people of the province deserve better treatment than this at the hands of the Opposition. May I suggest that the principle of democratic responsible government, through the institution of Parliament, based on opposition parties playing a constructively critical role, deserve better treatment than this at the hands of the Opposition. I invite the members of the Opposition, before it is too late, to change their opinion and vote with us, in a few minutes – to vote with us for a program which again is one which is based on solid achievement in the past . . .

Mr. McDonald: - It's lacking.

Hon. Mr. Lloyd: - . . . which points to even greater solid achievement in the immediate future, a program, as a result of whose implementation, Saskatchewan will be a better place in which to live. Without any doubts, Mr. Speaker, I shall support the motion.

Mr. A.C. Cameron (Maple Creek): - Mr. Speaker, I did not plan to take part in this debate at all. In fact, I think I was most unprepared to discuss the debate when I came into this House, this afternoon, but I don't feel so unprepared now. There were some statements made, this afternoon, that I could not permit to go unchallenged.

Hon. Mr. Brockelbank: - Just tie them up.

Mr. Cameron: - I want to give just one – first in reference to the attack of the Minister of Mineral Resources on the contempt that the Liberals are supposed to have for co-operatives – that while they give lip service they would stab in the back every co-operative in this province. Yet on the opening day of this Legislature – something was said about a gentleman to which I want to refer, and I had to send out to have it brought in. It said:

“As a young farmer, he early gained prominence in the grain growers' movement, and he was only 24 when, as a representative of the Beavertown Branch of the Saskatchewan Grain Growers' Association, he proposed a scheme of co-operative hail insurance to a convention of that body at Prince Albert, which proposal was eagerly accepted by the delegates and has since proved its worth.”

Opposition Members: - Hear! Hear!

Mr. Cameron: - Continuing:

“Elected a director of the Association in 1910, he became its Vice-President the following year. When farmers’ demands for a co-operative elevator company to handle their grain were met, in 1911, by the passage of enabling provincial legislation, this gentleman, still under 30 years of age, was entrusted with the gigantic task of organizing the Saskatchewan Co-operative Elevator Company, of which he was general manager from 1911 to 1916. His success in that, his first business venture, may be gauged by the fact that the company’s assets were later sold to the Saskatchewan Wheat Pool for \$11 million.”

Mr. McFarlane (Qu’Appelle-Wolseley): - No C.C.F.er, that fellow.

Mr. Cameron: - This gentleman was appointed a Royal Commissioner by the Saskatchewan Government to investigate the question of agriculture credit and grain marketing in Europe in 1913, the report on which formed the basis of much of the farm loan legislation which found place in the statute books, both provincially and federally. This man staked his political life, it says, on the choosing of Fort Churchill for the shipment of grain for the western farmers, through Hudson Bay.

Hon. Mr. Walker (Attorney General): - You have to go a long way back.

Mr. McCarthy (Cannington): - No as far back as you were going yesterday.

Mr. Cameron: - This man was the Liberal Premier of the province of Saskatchewan, the Hon. Mr. Dunning.

Hon. Mr. Walker: - That was 25 years ago.

Mr. Cameron: - There wasn’t a co-operative created in this province . . .

Hon. Mr. Walker: - You haven’t had a good man since.

Mr. Cameron: - . . . that wasn’t there when you came into office, and I was most amazed when I heard the Minister of Education say, “that it was the co-operatives that invented the C.C.F.”

Mr. McCarthy: - Shame on you!

Mr. Cameron: - You tried to invade the Farm Union. You used to refer to the Farm Union as the “right arm” of the C.C.F.

Mr. Speaker: - Order!

Hon. Mr. Walker: - Mr. Speaker, I have no objection to the hon. member quoting – I think many people will admit that he pioneered in the co-operative movement; but he did not quote correctly.

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Mr. Cameron: - I took it down exactly.

Mr. McDonald: - What a spurious statement That's even worse.

Mr. Cameron: - I was with a prominent man who had been in the farm organization for a number of years; just yesterday I had dinner with him, and he began to talk about the early formation of the farm movement in this province. He began to talk of the plans and organization for the 'March on Ottawa'. We spoke of the difficulties they were having in the final organizing of such a tremendous task; then he made this statement. He said: "The farm organizations, today, are truly attempting to speak for the voice of the farmer", and he said, "We did suffer for some years, and we are still suffering as a result of it, when the C.C.F. termed us 'the right arm of the C.C.F. Party'."

Opposition Members: - Hear! Hear!

Premier Douglas: - Mr. Speaker, on a point of order . . .

Opposition Members: - Sit down! Sit down!

Mr. Cameron: - And if they are going to accept that today, to make the co-operatives the right arm of the C.C.F. Party, they are going to kill co-operative enterprise.

Premier Douglas: - Mr. Speaker, on a question of privilege . . .

Opposition Members: - What privilege?

Premier Douglas: - Will the hon. gentleman give us the name of this alleged person?

Mr. Cameron: - I will not give the name of the alleged person.

Premier Douglas: - Because he doesn't even know . . .

Opposition Members: - Sit down! Sit down!

Mr. Cameron: - That's not a point of privilege, and you know it.

Mr. Gardiner: - Mr. Meakes said it last night.

Mr. Cameron: - Another thing, I was amazed at at first, was when I read about this condition in Pelly in the newspaper. Frankly, I want to tell you I wasn't too much impressed with the conditions I thought there were in Pelly. I thought we had a teacher in the classroom who was not conducting himself in the high dignity that teachers are expected to do in the classrooms of this province. I read where the Minister of Education had reprimanded him. I heard the member from Pelly, the other day. I thought he presented as fair an appraisal, without taking sides, as I have heard in this House. Then I heard the Minister of Education condemn him for being with this group, and that group, etc. Then he stood up, and if I ever saw anybody side-step a question, it was the Minister of Education . . .

Opposition Members: - Hear! Hear!

Mr. Cameron: - . . . when he said, "What can I do with this group, when they are against this group? What can I do with the situation there?"

Mr. Gardiner: - Enforce the law!

Hon. Mr. Lloyd: - Will the hon. member accept a question?

Mr. Cameron: - Sit down – when I am finished. I didn't interrupt you, and I only have a very few minutes. We must close the debate by five o'clock, Mr. Speaker, and I would like a few words. Then he went on and said this: "We believe as a Government that these internal frictions must be settled at the local level; therefore I, as a responsible Minister of Education, assure the House that I intend doing nothing further in the matter." Let me say this to you, Mr. Speaker. I thought it was contempt of the Legislature itself, because the very name 'Legislative Assembly' means the gathering of those who are elected to the Legislature to form the laws of the province, and the Executive Council is that group of men who are chosen to execute or carry out the laws that are legislated here in this Chamber.

Opposition Members: - Hear! Hear!

Mr. Cameron: - The law has stated, in The School Attendance Act, that if any parents refuse to send their children to school for a certain period of time, those parents must (not may) be prosecuted.

Hon. Mr. Lloyd: - Mr. Speaker, on a point of privilege, that statement is incorrect.

Premier Douglas: - How would you know? You never saw the Act.

Mr. Cameron: - We read the Act. He would leave the impression in this House that the Minister of Education is left in the position where he is the one to decide what should be done, and possibly what should not be done; that he is above the statute laws of this province. He says, "I am the one to decide", and if I ever saw one who was stepping on thin ice and trying to say a lot without saying anything, it was the Minister of Education.

Mr. McDonald: - Hear! Hear!

Mr. Cameron: - I expected he would at least explain to this Legislature why he reprimanded that teacher. I thought I was entitled to know that.

Hon. Mr. Lloyd: - You're not.

Mr. McDonald: - Now he says, "you're not!"

Mr. Cameron: - Then he went on in great oratory about the member from Melville saying something about the Deputy Minister of the Department of Education, and he called it a spurious and scurrilous attack on

a member of his staff.

Hon. Mr. Lloyd: - You've got your words mixed up!

Mr. Cameron: - Yet we have what they call the Fair Practices labour legislation in this province. We have legislation which says that, even if you go past the gaol-house out there, and your kiddy sticks his finger to his nose, the guard can act as a policeman; he can arrest him and charge him, because he is disturbing the peace and content of the inmates of the gaol.

Hon. Mr. Walker: - Dreaming again!

Mr. Cameron: - That's the legislation of this province, and yet here we have a teacher in a case where a charge supposedly is made against him; the United Board, as the employer, has made no move or ever indicated that they wish to dismiss this teacher from his employment. The local board has made no efforts to dismiss this teacher. If you had let the case take its normal course through the Act, it would have been brought to Court. I know the Minister doesn't like Courts. The C.C.F. don't like Courts; they like Boards and Commissions! You talk about a Bill of Rights! He goes to the defence of Deputy Ministers and officials in his Department, but did he go to the defence of one honest, innocent teacher? That man has been blackmailed all across this province . . .

Mr. Kramer (The Battlefords): - By whom?

Mr. Cameron: - I wrote and asked officials to give me the record of this man, because I hadn't heard; and I was unbiased when I came in here, because I knew nothing about the case. This man has had 22 years of teaching in our schools in Saskatchewan. The Inspectors' Reports on him are first-class. He has educated his own children - one is a school teacher, and the other is in the Armed Forces serving this country right now. This is the man who was reprimanded by the Minister of Education. He left an impression across this province that this man had done something horrible and yet he has refused to reveal to the people why he reprimanded him. There he carries that with him.

Hon. Mr. Lloyd: - You can come in and see any time!

Mr. Cameron: — You talk about the Bill of Rights. You talk about your Fair Employment Practices Act!

Hon. Mr. Lloyd: — You come into my office, and have a look.

Mr. Cameron: - You charge the member for Melville with discrimination. You have the rankest discrimination . . .

Hon. Mr. Lloyd: - Would the hon. member permit a question?

Mr. Cameron: - No, I'll not permit any questions. The debate must end at five, and that's why I have to hurry to say this - I didn't even intend to get into this debate. It's time that we realized this.

You talk about the Bill of Rights; you boast about it. Anybody can pass a Bill of Rights. A Bill of Rights merely catalogues the so-called freedoms which we have. I want to read to you a Bill of Rights, and it says this:

“This is the document guaranteeing the rights of these citizens. All court cases were public; all accused were guaranteed the rights of counsel; judges are independent; citizens are guaranteed freedom of speech, freedom of the press, freedom of assembly, freedom of demonstration and secret elections. These guarantees are part and parcel of the constitution of the Soviet Socialist Republic.”

Hon. Mr. Walker: - Mr. Speaker, there is an authority . . .

Mr. Cameron: - So, do we want to live under that Bill of Rights? You cannot legislate social morality, and no Bill of Rights will prevent individuals from using these tactics, and the Minister of Education, in his position, says this situation must continue and must go on. It has brought ill-will of class to class, and has done so much to disturb the brotherhood and good feeling of that community, it will take the next quarter-century to eradicate it. Yet you say, “I’ll sit here and do nothing about it.” That’s the Minister of Education! He hasn’t accepted his responsibility as a Minister at all. He has left this case to kindle and to boil and explode.

Hon. Mr. Fines: - Mr. Speaker, he’s nearly finished; will he accept a question now?

Mr. Cameron: - I had to bring these points up, and be finished before five o’clock.

Mr. Speaker: - Will the hon. member permit a question?

Mr. Cameron: - I have heard the question three times. I’ve just sat down; but what is your question; I’ll attempt to answer it.

Hon. Mr. Fines: - You quote a section of the Act where it says “a child cannot thumb his nose at the gaol.” What section of what Act?

Mrs. Batten (Humboldt): - That’s so silly that it’s not worth answering!

Hon. Mr. Lloyd: - Would the hon. member permit my question now?

Hon. Mr. Walker: - He’s stalling, you see!

Hon. Mr. Lloyd: - Would he answer my question, Mr. Speaker. After all his blustering, what does he propose should be done?

Mrs. Batten: - Accept your responsibility!

Mr. Cameron: - This matter happened six months ago; and here you have (you said, in your own words) six children not receiving education and you don't know how to get these children into the school. What child has the right . . .

Hon. Mr. Lloyd: - Answer the question!

Mr. Speaker: - Order! Order!

Hon. Mr. Lloyd: - He'd have the parents in gaol at this time next week.

Opposition Members: - There's the Gestapo sitting right there!

Mr. Speaker: - Order! Order!

At 5:00 o'clock p.m. under the provisions of Standing Order 30(4), Mr. Speaker put the question on the motion of Mr. Brown (Bengough) for the Address-in-Reply, which was agreed to, on division by 33 votes against 17.

SECOND READINGS

Bill No. 62 – An Act to Assist Interprovincial Steel Corporation Ltd. in establishing a Steel Manufacturing Plant in Saskatchewan.

Hon. Mr. Fines (Provincial Treasurer): - Mr. Speaker, the reason for selecting this, this afternoon, is that there is some need for getting this Bill through in order that the bonds may be sold next week

I would like to say at the outset, that this is the Bill which is similar to one which was introduced in this Chamber in 1956. At that time we asked for the authority to guarantee certain bonds of the Saskatchewan Cement Corporation. The Legislature saw fit to do so. We guaranteed these bonds to the extent of \$5½ million in 1957, and again in 1958. The two regular annual payments of \$550,000, totalling \$1,100,000, were made thus reducing our liability to \$4,400,000. In the meantime we have established in this province a new industry which employs a very large number of people.

The Bill which we are introducing, this afternoon, is to guarantee the Interprovincial Steel Corporation Ltd. bonds to the extent of \$10 million. I would like to say, Mr. Speaker, that the total cost of this project will be slightly over \$15 million; that, is, the total capital to be raised. Of this amount, the company is proposing to raise, by way of convertible debentures, the sum of \$1½ million, and approximately \$3,800,000 by the sale of common stock.

I might say that, before we gave our undertaking to guarantee the bonds, we studied this question for some considerable time. I have, for example, today with me reports that go back into 1956 and 1957. To satisfy ourselves, we engaged Clarkson-Gordon & Company, a very well-known company

of management consultants, who provided us with a report on the feasibility. This report is divided into three sections: the availability of steel scrap, the estimate of the markets, and finally the operating results.

After having gone into this, we were convinced that this plan is what is needed in Saskatchewan to round out an industrial empire. Already some of the results can be seen. Dominion Bridge has already announced it is coming into Saskatchewan to establish a plant, and I am confident that, within the next couple of years, we will have a number of smaller plants established for producing articles which will use the product manufactures by the Interprovincial Steel Corporation.

I might say that this corporation is what is called a rolling-mill type of operation. The plant will be situated three miles north of Regina, on some 60 acres which have been obtained for this purpose. It will be adjacent to the Prairie Pipe Manufacturing Company. The Prairie Pipe Manufacturing Company is one to which the Industrial Development Fund loaned some \$900,000. This plant went into operation in August, 1957, and will be one of the principal users of the products sold by Interprovincial Steel Corporation. I might say the plant capacity is 100,000 tons, but the rolling capacity is much more than this. The rolling capacity is in the neighbourhood of 500,000 tons, so that, by putting in additional furnaces, it will be possible at a very small cost to double the output of the plant.

The plant is expected to go into production 15 months from the date of commencement, which was October 15th, and that means that, by this time next year, the plant should be rolling the steel. It will employ a total of 175 people to start with. The majority of employees will be Saskatchewan residents; in fact, practically all, with the exception of probably half-a-dozen key personnel that will be brought in to operate different phases of the industry. It will have a payroll of over \$1 million annually. The market for the product is primarily in the prairie provinces. Out of the 100,000 tons it is estimated that 80,000 tons of the material produced is required by Prairie Pipe (last year they used some 60,000 tons), and the Edmonton Phoenix Pipe plant will use even a greater amount. These two alone will use more than the 80,000 tons which will be produced. Then there will be 10,000 tons of plate, and 10,000 tons of angle irons.

I might say, Mr. Speaker, that the principals behind this company are, I believe, well known. The president of the company is Mr. J.W. Sharpe, the same man who introduced to this province the cement plant, and who later organized the Prairie Pipe Company. They used a lot of local capital. The local residents of Saskatchewan, including Mr. Sharpe and his associates, have put up the major part of the \$3,800,000 for the common stock.

One question which, I know, will be in the minds of some people is the question of promotional shares. I might say here, Mr. Speaker, that it is a common practice for promoters of industry to get shares at a lower price; in fact very frequently they don't pay for them at all, or they get them at a very nominal rate. In this particular case, for the total amount of risk being taken, I believe that the number of shares obtained is very reasonable – 130,000 shares will be obtained at a nominal rate of 60 cents. I may say that this was money which was put up two or

three years ago, when they were investigating this. These people risked this money – probably they wouldn't have received back anything; in fact two years ago I would have given very little hope for this plant ever being proceeded with. It looked as though it would not have been an economic project. However, these people put their money into it to go ahead with their studies, and in return they have received this amount of 130,000 shares.

I may say that the same people who have put this money in to obtain these cheaper shares, are principally the ones who have bought the shares at the higher price. Some of these men, like Mr. Sharpe himself, have put somewhere in the neighbourhood of one-half million dollars into this plant; that is, of his own money. Other local business men have put in amounts of \$100,000, \$200,000 or \$250,000 and so on, so that, when they do get these few shares of the promotional stock, they are not obtaining any undue amount.

Mr. Speaker, no doubt there will be many questions that will come up. I laid on the table, the other day, the proposed agreement, in order that all hon. members would have an opportunity of studying it. There may be questions that will arise concerning the company itself. I would be very glad, in Committee of the Whole, to have Mr. Sharpe, or the solicitor, or any other people present, in order that they might be able to answer any questions that we may have to ask them. We believe this is an industry that will succeed.

I believe that it is known by most hon. members that it is very hard to raise capital for anything these days; it is very hard to start any new industry, because of the condition of our capital markets. Capital market is not anything which is peculiar to any one province; it is peculiar not only to Canada, but throughout North America. Interest rates have been getting higher. When we see Dominion Government bonds for a year and nine months being sold at 4.94 per cent, as they were last week, when we realize that it would have been very difficult for these people to have gone out and raised the money in the ordinary manner, without having to pay, of course, very substantial amounts.

Now, what does the Government get out of this for this guarantee? When we introduced the Bill for the cement plant, we got a guarantee fee of two per cent. You will notice in your Public Accounts, the first year of the cement operation, that the Government got something like \$110,000. Of course it decrease year by year by the sum of \$11,000 as the risk is less, and as the bonds are paid off. At first we had something worked out along these lines with these steel people, but then we saw that it was going to be an additional charge on the Government. We felt, too, that we might have the same situation as we have had with the cement company, whereby we get into it, we take the initial risk for a large amount (for the \$5½ million) then, after a couple of years, the company comes along and says: "We've appreciated your guarantee very much, but we would like to pay the bank off; we would like to retire the debentures; we no longer require your guarantee; thank you very much for the assistance you have given us" – and, of course, we lose the revenue for the next eight years. We felt that we would rather take a position where we would be receiving for the people of Saskatchewan who are taking this risk, a share of the equity capital, and

so we arranged to get 180,000 shares.

You may say, "How did you determine that amount?" Well, we figured out the amount we would get if we charged a guarantee fee of 1½ per cent, which is the difference between what governments could borrow at, and what a private corporation would normally borrow at today. That spread between government and corporation has dropped from two per cent (as it was in 1956) to approximately 1½ per cent at this time. We then figured it out, and it worked out to somewhere in the neighbourhood of \$1,200,000. Then we divided that by \$6, which is the value of the shares which were sold to the public, and we said we would like 180,000 shares, and that we would want a 15 per cent interest in the company. We have paid 60 cents per share for them. In return, for that 60 cents a share, the company is repaying us for the expenses we have been put to; for the expenses, for example, in preparing this report, and the time of the members of our staff who, for the last two or three years have been working on this project with us. So, in reality, we will be getting our shares free, because the total amount that we will be getting reimbursed will be approximately the same as we have already spent, and normally, of course, as in the case of the cement company, we did not put in a bill for our expenses. That was covered in the two per cent which we received.

Mr. Speaker, there may be other questions. I don't want to delay the House further, but I feel that where \$10 million is involved we should say something. As I said, there may be questions. I feel these questions can be better answered in Committee of the Whole. I think we should have some of the people there who can give any technical information on this, or any financial information. With the understanding that we will have these people available for the Committee of the Whole, I would move second reading of Bill No. 2 at this time.

Mr. A. Loftson (Saltcoats): - Mr. Speaker, this is quite an undertaking. It is quite an obligation to place upon the province, and I would not like to say anything until I have perused the documents that have been placed on our desks. I really haven't had a chance to see them. It may be all right; I'm not going to say that it isn't. It's rather peculiar insofar as it is something that does not happen in other provinces. It always seems that if we do get an industry of any size here, the Government has to put up a guarantee for it. If it is agreeable to the Minister that I adjourn the debate until tomorrow, I will try and look at these documents.

Hon. Mr. Fines: - Yes, I certainly agree, Mr. Speaker. If there is any information the hon. member wants, if he wants any of the prospectuses, for example, I just have two copies, but I will give you one.

(Debate adjourned)

The Assembly then adjourned at 5:25 o'clock p.m.