

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Thirteenth Legislature
17th Day

Friday, March 6, 1959

The House met at 2:30 o'clock p.m.
On the Orders of the Day:

WELCOME TO STUDENTS

Mr. L. P. Coderre (Gravelbourg): — Mr. Speaker, before the Orders of the Day, I would like to draw to the attention of members of the Assembly a group of students from my constituency who are sitting in the gallery, this afternoon. I want to bid them welcome and hope they will enjoy the proceedings of the Legislature.

Mr. Arthur T. Stone (Saskatoon City): — Mr. Speaker, I would also like to draw hon. members' attention to a group of students in the west gallery. They are Grades VI and VII students of the Thornton School from Saskatoon. I hope their stay will be profitable and pleasant for them.

Mr. E. I. Wood (Swift Current): — Mr. Speaker, before the Orders of the Day I would like to draw your attention to a group of Grade VIII students from Oman School, Swift Current, accompanied by their principal, Mr. Jas. Burnett. I hope they will enjoy their afternoon listening to the proceedings of this Legislature.

BUDGET DEBATE

The Assembly resumed from Thursday, March 5, 1959, the adjourned debate on the proposed motion of the Hon. Mr. Fines: That Mr. Speaker do now leave the Chair (The Assembly to go into the Committee of Supply).

Hon. Mr. J. T. Douglas (Minister of Highways): — Mr. Speaker, when I adjourned the debate, yesterday afternoon, I had dealt with the work accomplished by my Department during the past year, and I had also briefly discussed the operations of the Saskatchewan Transportation Company.

Today, I would like to spend some little time on the plight of agriculture. I would like to lay before the Assembly the highway program for 1959, and, if time permits, possibly take a little look at what are the needs of transportation in this province.

When one goes over the budget that has been presented to us this year, we cannot help but be struck by the buoyancy of our economy in the face of the declining revenue of our agricultural economy, which, as all members

know, is really the backbone of the province of Saskatchewan.

I have noticed throughout the debates in this House that the members on the Opposition side of the House have made an attempt, in my mind, to draw the attention of people away from the real reason for this decline in the economy of our agricultural industry. They have dealt with the little things – the raises in taxes, the gasoline tax and things that are not of too great importance; but they have stayed away from the real issue that has caused this decline in our economy. After all, if you want to get down to the real issues you have to go back to the time when the Liberal government at Ottawa did away with price controls; and when that was done away with, they left the field wide open for the increases in those articles which the farmer must use in the production of his crop. Ten years ago you could buy a combine for, I think, in the neighbourhood of \$3,000. The last one I bought was \$2,600, but ten years ago I imagine it would be about \$3,000. Today, they are over \$7,000; and you can go down the list – the same supplies to tractors and all the other implements of production which a farmer must buy. There has been no ceiling on those prices, and they have gone extremely high.

On the other hand, when the farmer comes to sell his produce he is selling on an open market. Again, we have got to go back to the days on this side of the House and by members of the C.C.F. in the Federal House. They told us at that time that we didn't know what we were talking about; but events have shown that we did know what we were talking about, because the American government, who undertook to dispose of their surplus on the basis which we had recommended, has gone out and captured the markets which were formerly held by Canada. Today, instead of Canada being the leading exporter of wheat in the world, we have fallen to a poor second to our American neighbours. I might point out that they do not have the quality of wheat which we have in Saskatchewan or in western Canada.

When these people across the way talk about the difficulty the farmer has in meeting his taxes, I know that is right. I know the purchasing power of wheat has gone down to a point where a farmer is finding it difficult to carry on his operations, and taxes is one of the small items; but a \$50 increase in taxes on a quarter-section of land is a long way from the increase which the farmer must pay for the combine which I mentioned just a few moments ago. Or, if you want to look at the licence which he pays for a farm truck – they were criticized from the Opposition side. What is a \$10 to \$20 licence on a farm truck when the farmer actually will save more than that with the saving in his insurance because of the policies initiated by this Government.

Or, if you look at what the farmer pays on the family car: When a farmer goes out today and buys a car, what does he find? He is paying from \$300 to \$400 excise and sales tax levied on that car by the Federal Government. That is the levy on the wholesale price; but by the time the car gets into the farmer's hands and the various commissions have been added to it, it is considerably more than that. Add to that the extra costs because of the increased freight rates which we are subject to in the West because of the long haul, and you have the real reasons why the farmer is finding himself in this difficult position today.

So I point out to you that it was the neglect of the Federal Liberal Government in not enunciating a true agricultural sales policy that would sell our farm commodities. I will have to admit that the Conservative Government now in power has done no better, and I will have to admit that the Conservative Government is possibly giving greater protection to those who are selling cars and farm machinery and the other things which enter into the farmer's cost of production.

I was glad, the other day, to note that this Assembly was in complete agreement with the March to Ottawa, and having been dealt with in another debate I know I cannot deal with it today. I was glad to note that the people who will go to Ottawa at the end of this week will realize that they have the complete backing of this Legislature behind them in their demands.

There has been some criticism of this move. There are some who think it will not do any particular good; but I want to point out that there is a very great need for the people of Canada to become aware of what is happening in western Canada. I find that they are not too well informed. Just the other day I noticed an article in our local Rosetown paper. The editor of that paper is on the executive of the Weekly Newspaper Association, and he had been to Ottawa on business for that Association. While in Ottawa he asked three questions of some 200 people. The first question was: "What do you think about the March to Ottawa?" He said that the greatest majority of those he asked this question did not know what he was talking about, so there was no point in asking the next two questions, namely: "What are the farmers asking for?" And, "Do you think they are justified in their request?" He said he found that only a small group of people in Ottawa were aware of what is happening, and of the small group who were aware, he found that they were sympathetic to the needs of the western farmers. They also realized that there was a need for something more than deficiency payments. There is a need for an over-all program that would guarantee the farmer a fair living.

Having said that, I want to remind this House of the commitment that was made by the Prime Minister of this country, and by every candidate who supported him in the last Federal election. They made the commitment that they were prepared to see that the farmers of the west got a fair share of the national income – not only the west, but the farmers of Canada. Well, I don't think there ever was a time – in fact I know there never was a time in the history of this country when a political party had almost the complete support of the entire prairie provinces as the Diefenbaker Government has today. There is only one exception in the whole of the three prairie provinces, and that is in the case of Hazen Argue from Assiniboia. Yet there has not been a single member of that entire group who has stood up and defended the actions being taken by the farmers in their request for deficiency payments. Not a single one! Nor have they come forward with any alternate to the plan that is being asked for by the farmers.

Those who are going to Ottawa know perfectly well that this is no solution to the agricultural problem. It is simply an emergency measure, and I think it was the day before yesterday, in the „Leader-Post“, it was stated by the Canadian Wheat Board officials that they expected that all of the surplus wheat would be moved off the farms of western Canada during this

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crop year, all that the farmers wanted to dispose of. When I saw that article I realized that, after this year, there are going to be many farmers in a pretty sorry plight. That means that the entire surplus has been used up, and when that surplus wheat is gone they are going to be dependent upon the crops which they raise from year to year; and if we should be faced with another crop failure it means that we are going to have a lot of farmers in a very difficult position in western Canada.

Mr. Loptson (Saltcoats): – Seventy per cent of them have been that way for the past five years. They have sold all their crop.

Hon. Mr. Douglas (Rosetown): – The member for Saltcoats is still talking through his whiskers, and I can't tell what he is saying.

Mr. Loptson: – I know what the country is like and you don't.

Hon. Mr. Douglas (Rosetown): – I said a moment ago that this House was in entire agreement with the delegation that is going to Ottawa. I was glad to notice, yesterday, that we are also in complete agreement apparently on two other matters. I think we are in complete agreement that the Conservative Party is making no headway in western Canada, particularly in Saskatchewan. I think there was complete agreement with the statement made by the President of the Liberal Association in Saskatoon, when he said, and I am going to quote:

“If a provincial election were called this year in Saskatchewan the Liberal Party would not have much chance of gaining power.”

Mr. McDonald (Leader of Official Opposition): – Mr. Speaker, on a point of privilege. Yesterday, when the Minister attempted to read this into the records of the House, I pointed out that the person who made this statement had withdrawn it and criticized the press for having misquoted him; and then the Minister has the audacity to stand up here, today, and repeat a deliberate lie that he was challenged on yesterday.

Hon. Mr. Douglas (Rosetown): – Mr. Speaker, I would ask to have that statement retracted. It is not a lie, and I can prove it.

Mr. Loptson: – It is a lie.

Hon. Mr. Douglas (Rosetown): – I have to ask for a withdrawal.

Mr. McDonald: – I will withdraw provided that you withdraw the article that you just read.

Mr. Speaker: – The hon. Leader of the Opposition must withdraw.

Mr. McDonald: – I will withdraw that, and I would ask the hon. Minister to withdraw the article he read.

Hon. Mr. Douglas (Rosetown): – I will quote from the article I was referring to. This is taken from the „Star Phoenix“ of February 21, 1959. It is headed: “NO CHANCE FOR THE GRITS THIS YEAR.”

Mr. McDonald: – Mr. Speaker, on a point of privilege, that article has been corrected by the person who wrote it in the first place.

Hon. Mr. Douglas (Rosetown): – I will read the correction.

Mr. McDonald: – Well, read it.

Hon. Mr. Douglas (Rosetown): – I will give you the whole thing.

“The President of the Saskatchewan Liberal Association, W. G. Manning, says that if a provincial election were called this year in Saskatchewan his party would not have much of a chance of gaining power.”

Mr. Cameron (Maple Creek): – I would just like to point out that Mr. Manning is not the President of the Saskatchewan Liberal Association.

Hon. Mr. Douglas (Rosetown): – Well, that is what is quoted in the Saskatoon paper. Now they say they want the correction. All right, I have the correction here:

“The following statement was issued today by W. G. Manning, President of the Saskatchewan Liberal Association: „An item in Saturday’s Star Phoenix and also news reports over local radio stations made reference to remarks I made at a Saskatoon Liberal Association meeting Friday night. One sentence used in the Saskatoon paper and elsewhere was misleading“.”

You will note he says “one sentence.”

“I am supposed to have said that the local Liberals must help to build a reputable organization. This suggests that I consider the existing organization disreputable. Now before speaking on Friday I noted my four points on paper and I believe I read the verbatim. The statement made by me was: “We must develop locally an organization with a reputation for talking sense and for taking an interest in good government.”

Mr. Cameron: – That’s better – local organization.

Hon. Mr. Douglas (Rosetown): – Before I proceed with the other items I want to deal with today, I would like to make

reference to a statement made by the hon. member for Rosthern (Mr. Elias), yesterday. He was quoting from the "Financial Post" of February 28th and, if I heard him correctly, he left the impression that when he quoted from this article he was referring to the net debt position given by the Provincial Treasurer. If he had taken the trouble of reading the printed Budget Speech of the Provincial Treasurer he would have found, on Pages 8 and 9, that the Provincial Treasurer made reference to the fact that you can arrive at the net debt of a province by several different methods. I am not going to take the time of this Assembly, today, to go into that, but I would like to refer back to this article, and this article is headed: "British Columbia really debt free?" Then they go on to give the quotations from a number of people who had been interviewed by the writer, Vincent Egan. The quotations which were used, yesterday, in this House, were in reference to the statement by the Premier of British Columbia, Mr. Bennett, and, at the top of that article, there is a table which gives the debt of the various provinces on the basis which Mr. Egan suggests. On that basis – quite correctly, as the member for Rosthern read it – the net debt of Saskatchewan is \$81.05 per head; but in British Columbia, it is \$293.90, although British Columbia, according to the Social Credit Premier, is supposed to be debt-free after this year. I just wanted to make that clearly understood, Mr. Speaker.

Mr. McDonald: – He's as bad as our Treasurer.

Hon. Mr. Douglas (Rosetown): – On one occasion I talked so long that I almost left myself with insufficient time to give the highway program.

Mr. McDonald: – Hear! Hear!

Hon. Mr. Douglas (Rosetown): – This year I do not intend to make that mistake so in order to set the minds of the members at rest, Mr. Speaker, I will undertake to enunciate the program which we have lined up for 1959. At the outset I want to say that this is one of the most extensive programs that has ever been undertaken in highway construction in the province of Saskatchewan.

Commencing with No. 1 Highway – not exactly a construction item – but we will undertake the sealcoating of that portion of No. 1 Highway from Moosomin to Whitewood, and we will also signalize the two railway crossings on the Regina by-pass.

No. 2 Highway – we will bituminous surface that section of No. 2 Highway from Assiniboia to the junction of No. 36 Highway.

No. 3 Highway – we will bituminous surface from the junction of No. 6 Highway to 5.7 miles east; and on No. 3 Highway also we will grade and gravel from Polwarth to No. 40 Highway; that is, from Polwarth to Shellbrook.

No. 4 Highway – from the junction of No. 43 to Swift Current, oil treatment; and from Elrose to Rosetown, grade and gravel.

No. 5 Highway – from Kamsack to Canora, oil treatment; from Radisson to Maymont, bituminous surfacing.

No. 6 Highway – Corinne to the correction line, grade and bituminous surface. Regina south, that is the section immediately south of the city here, we will complete the bituminous surfacing of that four-lane section. From Southey to Raymore – grade completion and bituminous surfacing. Most of the grading is completed, but we will complete the grading and bituminous surfacing of that section. From Leroy road to LacVert, grade and gravel; and from LacVert to Melfort we will complete the bituminous surfacing commenced last year.

No. 8 Highway – Elmore to Carievale, grade and gravel; Norquay to Swan Plain, we will complete the grading and gravelling commenced last year.

No. 9 Highway – Alameda to No. 13 Highway, grade and gravel. From Kennedy to No. 1 Highway, grade and gravel; and Whitewood to Stockholm, we will complete the grading and gravelling commenced last year.

No. 10 Highway from the Manitoba boundary west – grade and gravel. That piece of work has been held up until we had word from the province of Manitoba as to the possible relocation of their adjoining road. That will be completed this year.

Mr. McCarthy: – May I interrupt? I didn't catch just what road you are talking about.

Hon. Mr. Douglas (Rosetown): – Highway No. 10 – that is from the Manitoba border west; there is about a three-mile strip there, I believe.

No. 11 Highway from five miles north of Junction No. 5 to northeast of Waldheim – oil treatment; and from west of Rosthern to north of Duck Lake, grade and gravel.

No. 14 Highway – Saskatoon west, grade and gravel. That will be on a complete new location to the present one.

No. 15 Highway – Ituna to Leross, grade and gravel; that is the completion of last year's work. Nokomis to Junction No. 2 Highway – grade and gravel. Mildred to No. 4 Highway – grade and gravel.

No. 16 Highway – Kipling to Windthorst, grade and gravel. That also is a completion. Kennedy, grade and gravel. Glenavon to Kendal, grade and gravel.

No. 17 Highway – Lloydminster north, oil treatment.

No. 18 Highway – Carnduff to Oxbow, oil treatment. Oxbow to Frobisher, grade and gravel. Frobisher to west of Bienfait, bituminous surfacing. Lake Alma to Minton, grade and gravel.

No. 26 Highway – Edam to Turtleford, grade and gravel.

No. 29 Highway – Wilkie north, grade and gravel.

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No. 31 Highway – Dodsland to No. 30 Highway, grade and gravel.

No. 35 Highway – Colgate to Weyburn, oil treatment. Tisdale to White Fox, oil treatment; that will be a completion of last year's work. Flin Flon to Creighton, also a completion of bituminous surfacing commenced last year.

No. 36 Highway – Crane Valley to Galilee, grading and gravelling; also a completion of last year's work.

No. 37 Highway – Shaunavon to Gull Lake, oil treatment.

No. 38 Highway – Chelan to Clear Water Lake, grade and gravel.

No. 39 Highway – Ibsen to Corinne, seal coat

No. 42 Highway – Eyebrow to No. 19 Highway, this also is a completion of last year's grading and gravelling project.

No. 43 Highway – Mazenod to Gravelbourg, grade and gravel.

No. 47 Highway – international border to No. 18 Highway, oil treatment; this also is a completion of last year's work. Estevan to Benson, grading and gravelling.

No. 49 Highway – from two miles north of south junction No. 9 Highway to Preeceville, grade and gravel.

No. 57 Highway – Manitoba border to the junction of No. 5 Highway, grade and gravel.

We will also undertake the construction of a road from No. 14 Highway to Pike Lake.

This represents a total of 447.17 miles of grading; 446.72 miles of gravelling; 152.35 miles of bituminous surfacing and 165.17 miles of oil treatment. In addition to this, under our maintenance program, we will regravell approximately 800 miles, and we will resurface with bituminous mixture 50 miles.

With the completion of this year's work we will have over 25 per cent of the entire highway system with a dust-free surface, either bituminous surfacing or oil. I think I am quite safe in saying that nowhere in this continent will you find this amount of work being done with a budget as low as we have in the province of Saskatchewan.

Turning to bridge construction this year, as most hon. members know we will be proceeding with the bridge over the North Saskatchewan River to Prince Albert. Tenders will be open for this project on March 10th of this year. We are also undertaking a major bridge over the Moose Jaw Creek on No. 9 Highway south of Carlyle; a bridge over the Moose Jaw Creek on No. 18 Highway west of Oxbow; and a bridge over the Battle River on No. 17 Highway – this is in co-operation with the province of Alberta. As you

know it is partly on the boundary line, running into Alberta for one mile, but both provinces contribute to the construction and the upkeep of that piece of highway. So we will be assisting the province of Alberta in the construction of this particular bridge.

In addition to those three which are new, we will be completing the following bridges: the one over the Beaver River west of Meadow Lake, which is almost completed now; and the one over the Swan River north of Norquay; and we will also be completing the underpass on the C.P.R., in north Biggar.

I should say, when I am speaking of bridges, that we are facing in this province the need for at least four more major structures over the Saskatchewan River. The next one, as has been announced before, will be in the neighbourhood of Petrofka ferry, and it is the intention of my Department to have that location finalized and the design of that bridge completed so that, should finances be available, immediately the one at Prince Albert is completed we could proceed with the one in the Petrofka area.

As I will announce in a moment or two, we are being asked to construct a road to the proposed dam site on the Saskatchewan River at Squaw Rapids, east of Nipawin. When we were supplied with the particulars of that proposed dam we find that when that dam is completed and the reservoir filled, the water at Nipawin will be raised some 20 feet. That means that, before this rise takes place, it will be necessary for us to at least complete the footing of the bridge that is now required at that point. So, at the moment, there are at least four bridges of which traffic demands completion. The province has a very sizable problem confronting us in that particular field.

Last year and the year before, I adopted the policy of advising this Legislature of some projects which I hoped to call for before the Legislature meets again. They are not on this year's program, but we have found that it is to the advantage of the Government and the province and to the advantage of the contractors, if we can call some of these projects early enough so that the equipment can be moved before the spring bans take place. So, today, I would like to announce the following five projects which we hope to be able to call during the fall of this coming year.

First, No. 2 Highway from Young north to the Junction of No. 5 Highway; No. 3 Highway, Tisdale west; No. 4 Highway, Swift Current to Saskatchewan Landing; No. 14 Highway, Saskatoon west; No. 18 Highway, Oxbow to Frobisher.

Before I go on to some of the other projects I would like to remind this House that, in the Department of Highways we will, this year, be co-operating with the Canadian Good Roads Association in a project whereby we hope to consolidate the work that is being done by the various provinces across Canada. This project, this year, will be a study of the performance and characteristics of newly-built rigid and flexible pavements. In doing this we realize that, a year ago, the provinces spent upwards of \$1,000,000 in research work, but there has been no means of co-ordinating the work that has been done in the various provinces. This year, the Canadian Good Roads

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Association has set up a committee who will do this co-ordinating work, and this province is very happy to co-operate in making available to the other provinces the information which we will gather. We also hope to more or less delegate some of the work so that there will be no overlapping in this very costly feature.

I think I told the House last year, but in case I did not, I would like to remind you that this province has a representative on the Canadian Good Roads Association Committee that is keeping Canada supplied with information regarding the tests being carried on in Illinois. That is the most exhaustive test that has ever been undertaken to test the effects of various weight loads on various types of pavement. I noticed, the other day, that the cost of the equipment which will be used in this project is well over \$1,000,000; the most up-to-date equipment in the world today, electronic and mechanical, will be used in this project. It is going to take a year or so to complete, but when it is completed we are hoping that we will have many of the answers that we do not have today in regard to the effects of weight on our road systems.

In addition to the projects which I have already mentioned, I would like to point out that there are two more that we are assisting in. One I have already mentioned; that is, we have been asked by the Power Corporation to construct a road to Squaw Rapids to enable them to move in the equipment and supplies which will be required there by the fall of this year. At the moment the Planning Branch of my Department is working on the problems that arise from this request.

Yesterday I announced that my Department had been requested to undertake the location, designing and construction of a road from La Ronge to Uranium City, and I am very glad that we have been able to co-operate in this project which is undertaken by an agreement between our Department of Natural Resources and the Department of National Resources and Northern Affairs.

Before dealing with some of the details of that project, I would like to protest the action of the Federal Minister of National Resources and Northern Affairs when, without consultation with the province, he announced a grandiose scheme for northern roads as part of the election program of the Diefenbaker Government. But, after having announced this program, he then undertakes to expect the province to pay for 50 per cent of their election promises of those roads which lie within the borders of the province. Now I would just point out that, before the Trans-Canada Highway Agreement was entered into, we had a number of conferences with the Federal people, and we knew where we were going, both as to location, as to standards and as to sharing of costs.

Mr. Loptson: – There was a Liberal government then.

Hon. Mr. Douglas (Rosetown): – It was a Liberal government, and I want to say that I had excellent co-operation from the then Minister of Public Works, Mr. Winters. But I should also point out that I was never able to convince Mr. Winters that he was only going part way in the matter of Federal aid. But to come back to the other matter with which I was

dealing – I will deal with this other matter later on, don't worry.

After the Minister of National Resources and Northern Affairs had announced this program and we were getting it under way, apparently he found himself in a rather embarrassing position. Apparently he and his colleagues had either promised, or given partial promises of, various locations and he wanted to throw the onus of determining the location of the road to Uranium City on the shoulders of this Government. He wanted us to be the „bad boys“. So it was not until mid-August that we had written confirmation from the Federal people as to the southern terminus of this road, and, as I pointed out yesterday, we lost no time in getting on with the job.

Two things had to be done. First of all, we had to have the exact location decided on, because you cannot go into that bush country just overnight and start to work. We are going through some of the most rugged area in the whole province of Saskatchewan when we start northward from La Ronge. Fortunately, our own Department of Natural Resources had done some reconnaissance work; the aerial photographs were there, and we were able to decide rather quickly on the route as far as the Churchill River.

Today we are in the process of laying the abutments for the bridge which will cross the Churchill River. It was no small feat, Mr. Speaker, to punch through a 35-mile road into that area and to get in the supplies that are required for the foundations of the bridge, to locate gravel in that country, which is not an easy matter; and to have that gravel hauled to both sides of the river. That was no small feat; but we are doing what had to be done before we could launch an all-out scheme in the construction of that road. We had to get a bridge across the Churchill River, which we are doing; the contract was let in December. In addition to that, it will be necessary that we determine the exact location for, I suppose, 150 miles of road north from the Churchill River, because there you are going through the rough pre-Cambrian Shield, and to undertake to commence with that work without the location being finalized could mean a great waste of public money. I can assure you it is not the intentions of this Government to waste money in that project, so this year we will complete the locating of that project at least as far as the sand plains, which commence some 150 miles north, because from there to Fond du Lac there is no engineering difficulty, and no great problem in location.

I should point out that from the Fond du Lac to Uranium City you again encounter, I would say, the most rugged portion of the road, and the location of that part of the road will altogether likely determine the spot at which we cross the Fond du Lac. There is a very good crossing of the Fond du Lac, to all appearances, at Stony Rapids. That may not be the crossing; but that is something else which must be determined. I can understand why the member for Athabaska (Mr. Harrop) might be a little disappointed because of the small amount of actual construction of that road this year, because, as I just pointed out, the best we can hope to do this year would be on that 35-mile section up to the Churchill, but from there on this other work must be completed before we undertake full-scale construction of this road.

As I said a moment ago, I am glad to be able to co-operate in the building of these northern roads. They are required for the development of

the country; but I would like to point out to this Assembly that it is just another piece-meal attack on the highway problem of the west, and it ill behoves the Minister of National Resources and Northern Affairs of the Federal Government to be the one to partake in this, because there was no one louder in his denunciation of highway policies of this Government than the present Minister of National Resources and Northern Affairs. He used to refer to the highway work being done in this province as „bits and pieces“. Of course, I didn't hear him say anything about those bits and pieces in 1957 when we completed about six of those connections, giving dust-free connections to practically every city and many of the larger towns in this province.

I want to assure you, Mr. Speaker, that this province did its utmost, when we had completed the Trans-Canada Highway, to see that Ottawa embarked upon a plan of highway construction that would meet the needs of this country.

It is also very evident, when one follows the grandiose plans of the Minister of Northern Affairs, that there has been no economic study made of what he is suggesting, no thought given to the physical aspects of the projects which he has suggested. To me it looked like a plan that might have been drawn up in a hotel room one night when there were a group of enthusiastic trade members around; certainly, it has never been given the careful study that the Planning Branch of my Department would give if we were undertaking a project of that nature.

No, Mr. Speaker, Canada, today, is in dire need of an over-all plan of Federal aid for highways. I had the privilege, this year, as many of the members of the House will know, of attending the third World Congress of the International Road Federation. At that Congress some 60 nations were represented and while I was proud of the fact that Canada was looked upon as one of the leading road-building nations in the world, I cannot say that I felt very proud to realize that we are the only major country in the world without a definite program of Federal aid for highway construction. As a matter of fact, since we completed our share of the Trans-Canada Highway, Saskatchewan has received very little in the way of Federal aid for our highway system. I maintain that this is a case of rank discrimination against this province when almost every other province in the Dominion of Canada is receiving very substantial aid from Ottawa for their main highway systems.

I think I should also point out that the highway users' tax which is being levied by this province is far from being sufficient to meet the needs of roads and highway construction in Saskatchewan. The fact that we have been spending, over the past number of years, a sum greatly in excess of what we have been collecting from these sources, is an indication that revenue from the gas tax and the motor vehicle licence fees is not sufficient to do the job that must be done here. This year, as we did last year, we will spend over 25 per cent of the revenue which we get from that sort of taxation in assistance to municipal road projects.

I should point out to you, Mr. Speaker, as the years have gone on in this province, the province has taken over more and more of the

responsibility of road and highway construction in Saskatchewan. In addition to that you will recall that, a few years ago, we turned back to the municipalities the levy of two mills Public Revenue Tax. It was levied by the Liberals but it remained for the C.C.F. to remove it. I should also point out to you that every mile of provincial highway – I shouldn't say every mile but I would say 95 per cent of the mileage of our provincial highway system serves as a market road for a considerable area of the province, so that the more miles of highway we take over and assume responsibility for, the more we are relieving our municipalities of that load. We were, for a number of years, the province with the greatest mileage of highway. Last year, the Province of Ontario has gone ahead of us; they have taken into their provincial system a number of roads which now gives them a greater highway mileage than we have.

You will recall that, during the last two Federal elections, we had some very glowing promises made by the Conservative Party with regard to Federal assistance, and you will recall that, in March 1957, Mr. George Hees, now Minister of Transport, speaking in Saskatoon said:

“Canada leads in a national highway program by which the Federal Government will join with the provinces in building highways which will enable development of the tourist trade and natural resources and the defence program.”

And the same year, speaking in Newcastle, New Brunswick, Mr. Hees said:

“If the Conservative Party is elected on June 10th, it would start on a highway-wide program similar to the \$100 million highway program now underway in the United States.”

These were fine words before an election, but another among a long list of the unfulfilled promises that the Conservative Party made.

I want to assure you, Mr. Speaker, that this Government lost no time in placing before the Federal Government a plan of over-all highway assistance once the Trans-Canada Highway was completed, but without result. As a matter of fact, I have had no definite commitment from the Minister of Public Works in Ottawa since that time. I want to say he was good enough to have me interview him after the completion of the Trans-Canada, when I placed before him the very complete program by which they could assist the province of Saskatchewan immediately. But as late as July 30th of last year, when I again wrote him on this matter, I find that I have had no definite reply from him. All I have had is a letter from his assistant Deputy Minister acknowledging my letter.

It is rather peculiar that they should not be giving some consideration to this matter, because I know of no other project that would do more for unemployment than highway construction. In 1958 in this province, highway construction provided for some 320,000 man days. That only includes the actual construction crews used by the contractors and by the province. It does not include the off-site workers, the people who make culverts, the

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people who make bridge materials and all the rest of it. So if they were really interested in fulfilling their promises and providing work for the unemployed, they would have an excellent opportunity in that respect.

The Trans-Canada Highway is a good example of what can be accomplished by co-operation between the two Governments. A look at the traffic increase on that road over the last year shows that, in 1957, we had an increase of 17.4 per cent over 1956, and in 1958, the increase was 15.4 per cent over 1957. In other words, 406 miles of the Trans-Canada Highway carried 9.8 per cent of all the motor vehicle travel in the province. In other words, $\frac{1}{4}$ of 1 per cent of the total rural road mileage in the province carried almost 10 per cent of the total travel. I know that many people find it difficult to understand why they cannot persuade the Minister of Highways to do a certain small piece of road when we come to straighten out a highway, as we often do. They say, "What difference will another mile make when you have 8,000 miles of highway system?" That is quite true – one mile doesn't make very much difference; but when you take into account the aggregate of the savings that we are making, it becomes a very substantial figure. I find that, from 1944 to date, the savings in mileage because we have undertaken to shorten the roads wherever possible, amounts to 344.7 miles; the savings in construction costs were \$7,025,700, and the annual savings in maintenance costs are \$280,000. This is a figure that may be difficult to believe, but it is a conservative figure. The annual savings to road users was \$2,025,000. The savings in construction costs alone has enabled this province to construct another 600 miles of gravelled road. The savings to the travelling public in that 14 years will amount to approximately \$10 million.

I would like to say just a word about what lies before us, and point out that the traffic volume in this province has increased by over 250 per cent in the last ten years, and it is continuing to increase at a very rapid rate. The figure of a 4-per-cent increase which we use in our long range forecasting, is completely inadequate. Actual experience in 1957 showed an increase of 11 per cent over 1956, and in 1958 an increase of 6.26 per cent over 1957. It is conceivable that the next ten years will show another 100 per cent increase in the volume of traffic.

Highways remain the basic method for the movement of people and goods in this country. The entire trend of traffic on our highways is on the upswing not only in mileage, but in the tonnage which is carried. If we are to build the industrial empire which was referred to by the Provincial Treasurer in his Budget Speech, the other day, then we are going to be faced with the requirements for great improvements to our primary highway system. It is one of the penalties – not exactly a penalty, but one of the costs we must face in the building of this empire. We had a good illustration of what I mean in No. 18 Highway. That road was built a few years ago to a very high standard so far as that area was concerned. What with the advent of the oil industry, it is now necessary for us to build that road to a still higher standard; and what is true of No. 18 Highway is going to be true over many other sections of this province as this province proceeds in the industrial expansion which we are now undergoing.

Mr. Speaker, it is not necessary for me to say that in view of this splendid budget, I am going to support it.

Hon. C. C. Williams (Minister of Labour): – Mr. Speaker, before proceeding with my address, I just want to say that I, as one of the Regina members, am quite pleased to see that there is an amount of \$275,000 in this year's budget in order to provide the funds to start a new Court House in this city, to be located at McIntyre Street and Victoria Avenue just north of the new Y.M.C.A. Building. Let us hope that it is finished before the old one falls down; it has been standing there since 1894.

Now, I would like the members to stay in their seats as much as they can, this afternoon, because I have quite a bit of interesting information insofar as labour matters are concerned, and I believe that information can be profitably used, especially by those who sit on your left.

One of the first Acts passed by this Government when it assumed office in 1944 was to set up a Department of Labour which administered Statutes assigned to it by this Legislature, which deal specifically with labour matters, and with safety matters in particular.

When the Department of Labour was established the economy of this province was largely agricultural, but during the last 15 years great changes have taken place, and our economy has become diversified, and as this goes on the importance of our labour legislation increases. Today, the safety, working conditions, income and indeed the happiness of many thousands of people in our province depends largely on our legislation concerning safety, of our labour legislation, and on the way this legislation is administered.

On Wednesday last, the member for Redberry (Mr. Korchinski) – the „Bob Hope“ of the Official Opposition – claimed that this Government has sold labour down the river, and asked how we would explain to labour the deals that have been put across with the cement plant promoters and still mill promoters. Well, it is a nice way to be sold down the river by providing work for several hundreds of people, and, if he wants an answer, I suggest that he get in touch with some of the employees of these plants and find out how they like having a job instead of being out of work.

It was also stated that we have been able to hoodwink labour in Saskatchewan into believing that this Government is their friend. Having the most progressive labour legislation in Canada should be proof enough to establish this as a fact.

There has been a great deal said, Mr. Speaker, in this House and outside the House, in connection with the Teamster's Union, and I propose to deal with that matter now at perhaps some length. I shall try not to be too long. This started, of course, due to the questionable tactics of Dave Beck, former President of the Teamsters, who was thrown out a year or 14 months ago and succeeded by Jimmy Hoffa. These men and some of their satellites have given labour a bad name, to put it mildly. They have done labour a tremendous amount of harm in their lust for power and greed for material gain. There is no need to go into the sordid details here. They are all well known and have been well publicized in the press, magazines and radio, a part of which, at least, has attempted to link them with, and thereby discredit, the labour movement of Canada and the United States.

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It is highly improper to attempt to smear labour in general with talk of Beck, Hoffa, „gangsters“, „hoodlums“ and so forth. Actually the real labour unions are honestly run, and the great majority have no use of the Teamster hierarchy. Walter Reuther, head of the C.I.O., and George Meaney, head of the A.F. of L., together have expelled the Teamsters from their Congress. Unfortunately, the laws of the United States have not been able to cope with them, although a board has been set up consisting of three judges to monitor their proceedings. Beck, by the way, has been convicted of evasion of income tax, and a few days ago was sentenced to five years in prison. He will get no sympathy from the real labour people in the United States and Canada.

We seldom hear of the Teamster's Union in Saskatchewan although it has been here in a small way for the past 20 years and has contracts with the milk drivers in Moose Jaw and Regina; one in Saskatoon; one in Canora, and also with two trucking companies, Pollock and Soo Security.

Unfortunately, the prestige of labour unions has suffered, and we now hear cries of “American domination”, “racketeering labour leaders”, together with the suggestions that the international unions be kept out of Canada. Actually, this is nothing new, and some uninformed persons have been critical of them for years, usually by expressing patriotism – “what we need are strictly Canadian Unions”, they say. Properly run, there is nothing the matter with international unions. My own, the Order of Railroad Telegraphers, which includes Train Dispatchers, Telegraph Operators, Station Agents, Towermen, Linemen and so forth, got its start back in 1886, and for years management would summarily dismiss anyone who joined it. However, over the years, along with many others, it gradually became accepted. I had the honour to be a delegate to the Golden Jubilee Convention in New Orleans in 1936; in Milwaukee, 1939; Kansas City, in 1942. The American and Canadian delegates got along splendidly together, and the latter are well thought of. Out of eleven vice-presidents two are Canadians. There is nothing sinister in such a set-up, and in fact it is much stronger than if there were two separate organizations, one on each side of the border.

There are many other international unions, practically all of which are a credit to their officers and members, and it is most unfortunate that Messrs. Beck and Hoffa have brought a measure of disrepute to labour in general. Perhaps some people would like to encourage the Rotary Club, for instance, to become entirely Canadian – or the Y.M.C.A., or life insurance companies and a host of others – cut off entirely from their American counterparts. Just as good a case could be made against those groups as with the international trade unions.

I would not like to see any member of this Legislature fooled into believing that there has been American domination of decisions made by Canadian officers and members on Canadian matters. The same cannot be said for international automobile companies or international aluminium companies operating in Canada, where the policy of refusing to allow Canadian-made goods to be sold to China is decided by the company's American officials located in the United States. After all labour unions are only groups of people banded together for their common good, the same as members of the Teachers' Federation, the Bar Association, the Medical Profession, the Real Estate Association, Boards of Trade or the farmers' organizations. Most of us on

both sides of this House belong to one or another of those I have just mentioned.

The new provincial leader of the Conservative Party is also trying to get into the act. He was reported to have stated at a meeting at Nokomis, last Wednesday, that Hoffa and the Teamsters had two organizers in the province now, and were going to get control of the work on the Saskatchewan Dam. I have made inquiries, and I find the only teamster organizer here is Clarence Wyatt, a resident of this city for many years.

Some large construction companies who do heavy construction work any place on the continent, such as Kellogg, Fluor, Refinery Engineers, Fraser, Brace, Brown and Root may get some contracts from the Federal Government for work on the Saskatchewan Dam. If they do, they will bring the Teamsters' Union in with them only insofar as the truckers are concerned. There is no indication that they plan on interfering with the jurisdiction of any other union which may have members working on this project. In actual practice these firms get representatives of the various unions together, sign a letter of understanding and proceed from there.

I would suggest to the people of this province that they keep cool and do not allow themselves to be stampeded by politicians desperately looking for issues to discredit this Government.

All of this hullabaloo about Hoffa and the Teamsters reminds me of a verse I seem to recall, away back in the fifth or sixth grade. It went something like this:

“Hush ye! Hush ye!
Do not fret ye,
The Black Douglas shall not
Get ye!”

With apologies, of course, to the Premier and the Minister of Highways.

I have with me here, Mr. Speaker, a copy of a newspaper printed in Washington, D.C. – a splendid publication, which is published once a week. I will mention something about the ownership and editorial control. It is owned by 17 recognized standard railroad labour organizations, and is their official Washington weekly newspaper. It is not conducted for profit, and does not accept paid advertising of any kind. Its editorial policy is determined by a committee and so forth; so it does not have to play the tune called by advertisers or a group of advertisers.

I have some clippings here, and will just read a few paragraphs from them following what I have said about the Teamsters. The first one is headlined: “Labour wields broom but business refuses.”

“At its recent convention of the A.F.L. – C.I.O. voted to oust three unions held to be under corrupt leadership; also it placed several others on probation pending compliance with clean-up orders. Moreover, the convention ratified six rigid codes of ethical practices to which

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affiliated unions must adhere if they want to remain in the House of Labour. Compliance with the codes of the convention rules is a minimum requirements for the honest and clean unionism. This action by the convention drew praise from some administration officials and even from some newspapers. Now, that organized labour has lead the way in the purge of corruption, what is business doing to follow that example? Not a thing so far as this newspaper has been able to determine.

The National Association of Manufacturers recently held a convention in New York City. Many speeches were delivered denouncing labour and extolling the nobility of free enterprise, but not one word, not one statement; not one resolution dealt with the corruption in business and industry. No codes of ethics were adopted. Apparently any corporation, whether run by honest men or crooks, can still retain affiliation with the N.A.M. Many of these companies which now hold membership in the N.A.M. have been prosecuted before Federal agencies and courts for flouting the laws of the land, and many have been convicted, yet their affiliation is in no way jeopardized nor are they subject to a word of reproof.”

Another:

“Not long ago Life Magazine revealed that kick-backs and pay-offs and bribes paid by business averaged as much as \$5 billion during the past year. If this has produced any clamour in the halls of the N.A.M. or the Chamber of Commerce for a clean-up of business, no one has yet heard of it. In fact, if you were to read the official organs of these two major employer groups, you would never find a line about corruption in business, although they carry many columns about the abuses in the labour movement. By contrast the labour press has extensively reported the exposure of corruption within the trade union ranks. All in all this boils down to a strange double standard on the part of the big organizations of management.”

This has no reference to Canadian groups, of course.

One more headline:

“Four Bankers are indicted; also Three Union Leaders” – “\$7 million deal in one case, \$80,000 in the other”; “Beck gets Prison Term”. Four prominent bankers were indicted in Miami, Florida, last week on the same day that three prominent union leaders were indicted in

Indianapolis, alleged greed for real estate profits lay behind the charges in both cases.”

Now, here is a paper, Mr. Speaker, very well got up, and, as I said a while ago, not a line of advertising printed in it. I have one here which shows on the front page a cartoon; it is headed: “Conditions of Train and Engine Service Employees”; and here is a list of the things they don’t get:

1. No differential for night work;
2. No extra pay for holidays;
3. No expense payments while away from home terminal;
4. No premium pay for Saturday and Sunday work”
5. Many deaths and injuries due to hazards of rail jobs.

The engineman is standing to one side and he says: “And yet they say we’re featherbedding.”

I happened to meet a locomotive engineer on 11th Avenue, just last week, and he mentioned the fact that on his run he works 80 hours a week. It is unfortunate that our labour legislation cannot be extended to include railway employees. That is impossible due to Federal Legislation.

Here is another heading – I will just take a moment to read it: “More Seized in Big Crime Ring; Arrests made in the United States and Canada”:

“Mystery deepened this week in the international chase for leaders of a reputed \$20 million robbery syndicate allegedly masterminded by respectable businessmen from the United States, Canada and other nations.”

My last paper here, dated February 28th (just a week ago) has a splendid picture of Claude Jodoin, President of the Canadian Labour Congress, right beside a picture of Prime Minister Diefenbaker. They are good pictures of both, and the headline says: “Action on Arrow stirs hot row; Labour deplores cancellation; Aircraft Industry virtually eliminated, Jodoin charges.”

And here we have another article – and this may shake some of my friends opposite: “Drive Launched by A.F.L. – C.I.O. for 35-Hour Week”. Another heading: “More on Juke-Box Rackets; Probers find Underworld Bank financed By Mobsters”. “Hoodlum Widening Grip on „Respectable“ Businesses.”

And here is something that I think is worth reading. It is a small article and the title is „Consistent?“:

“Senator James E. Murray (Democrat, Montana) says he got a letter from the president of a Chamber of Commerce in Montana protesting, as Chamber head, against Federal aid to education. He also got a letter from the head of a business college in the same city urging that any Federal aid to education should include private business colleges. Both letters arrived the same day, says Murray, and both came from the same man.”

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There are two or three items on the next page which I will just refer to briefly: "Gordon praises Railway Labour; says Union Leaders are public-spirited." That is Donald Gordon, President of the C.N.R.

Another heading: "See Some Success for „Wheat March“." That is Ottawa getting into bring in a paper printed in Washington. It goes on to say:

"The March on Ottawa by plane and train planned by prairie farmers to demand deficiency payments on wheat is likely to meet with some success.

"Some 600 Westerners, mostly farmers but reinforced by businessmen, teachers and clergy, will arrive here March 9 and present their plea to the Federal Cabinet the following day."

Another heading: "Canadian Pacific backs down on Plan to end B.C. Ferry Runs."

I have just one more – there are no young people in the gallery, so I can read this: "Canadian paper blasts use of „Call Girls“ by Business." Remember, this paper is printed in Washington and this is referring to an article which appeared in the Windsor „Star“:

"Big business use of expensive „call girls“ as a sales weapon shows there is something very badly wrong with our capitalistic system, the Windsor, Ontario, Daily Star commented recently.

"The Canadian papers devoted reaction to the exposes of this situation contrasts with the tepid and gingerly handling given the subject in the editorial columns of many American dailies.

"The Windsor Star pointed to the evidence that many large corporations – though far from all – use call girls to promote business deals. Likewise the practice is not a temporary expedient but rather a deliberate policy.

"Doubtless those responsible for the disclosures will be termed muckrakers, said the Star, If this be muckraking, then there should be more of it. The muck should be raked until the filth is eradicated. Unless this is done, our economic system is in danger of killing itself.

"Such an entire lack of ethics is more of a danger to the capitalistic system than is Communism, the Star concluded. It beats all why those executives concerned don't understand this."

The „Star“, I might say, is a daily paper with about the same outlook and the same circulation as the „Regina Leader-Post“.

Now, there have been some attempts made to blame labour for the increased living costs, which is like trying to decide which came first, the chicken or the egg. Actually the removal of price controls back in 1946 was the start of our present high prices, and wages have been trying to keep up with these price increases ever since.

Labour unions should be recognized as a benefactor to the life and economy of the country, the city, the province, or even a community, wherever they exist. Let us use the city of Regina as an example and suppose that we did not have, or have never had, any trade unions here. With the resultant low wages bound to be paid where would your stores along 11th Avenue, or Scarth Street, or Hamilton Street be? They would be either just getting by or be non-existent. The number of department stores and chain stores would be greatly reduced for the simple reason that there would not be enough money in circulation to require them. The same thing could be said about construction companies, building supply companies, insurance companies, real estate companies, jewellery stores, and many others. Unions see to it that their members receive a fair and living wage, most of which is put into circulation almost immediately. Business men should be favourable to and grateful to union activities because, without them, their place in the economy would be small indeed. It should be mentioned here that non-union employers must pay a reasonable wage or they have difficulty in securing employees in communities where unions are active. Our minimum wage rate is the highest in Canada and is also a great help in seeing to it that a reasonable standard of living is provided for the individual who also puts his or her money into circulation for the benefit of business generally.

The development of this city over the past ten years would have been impossible on a small-wage basis. To sum up – union rates for organized employees, together with lesser non-union rates, have resulted in thousands of our citizens being permanently employed and have provided prosperity for many business men in this city and other communities.

I am pleased to report that the budget for the Department of Labour, for the years 1959-60, has had a modest increase and will be \$1,250,610. This has been brought about by reason of an increase in the staff of our electrical and gas inspection Branches made necessary by increased inspection work. We have also commenced training apprentices in the radio and television repair trade. We can assure this Legislature and the citizens of the province that the money will be well used and to the best advantage.

One of the most important functions in the Department of Labour is to be found in the activities of the Labour Standards Branch, which has the responsibility of seeing to it that wage-earners of the province are not paid less than the law requires, or work longer hours, get their holidays with pay, statutory holidays, and so forth. Last year this Branch collected \$166,601 for 4,154 employees. There were 23 prosecutions which resulted in 17 convictions, with \$3,544 collected for employees through the courts.

I have used the word „feather-bedding“, Mr. Speaker. Perhaps it is a slang word, but I have another one here somewhat along the same lines – that of „moonlighting“, which merely means where one person holds down two jobs. We, in the Government do not approve of such practice, and have done something about it. Section 54 of The Public Service Act reads:

“Except with the express permission of the Commission, which permission may be at any time withdrawn, no employee shall engage in or undertake any business or private practice of any profession or trade, whether as principal or agent.”

Any civil servant violating the section I have just read, leaves himself or herself open to dismissal. In view of the unemployment now existent in Canada, one job per person is only fair and just.

I will leave the Department of Labour now for the moment and come over to the Department of Telephones, of which I also have the honour of being Minister. Just a few days ago some reference was made to the fact that \$1,828,000, the amount of the telephone dividend, last year, was transferred to the Provincial Treasurer. There was an excellent reason for doing this, and a very simple explanation. All telephone companies in Canada belong to the Trans-Canada system. The long distance revenues of all companies are pooled and divided among them on a proportionate basis, according to the expense that each company has. Capital charges, operating costs, interest, etc., are all legitimate charges, and these companies or corporations, such as the Bell Company in Ontario and Quebec, the Maritime Telephone & Telegraph Company in B.C., have, over the years, been paying their shareholders a dividend and including this amount in their legitimate expense, thereby receiving a little more out of the total Trans-Canada “Melon” – if we can call it that. There was nothing improper about this procedure. The Government-owned systems in the three prairie provinces had no shareholders to pay a dividend to, and so received a lesser proportionate share than privately-owned companies. Last year, the Board of Directors of Saskatchewan Government Telephones on their own initiative decided to approach the Government and recommend that this profit or dividend be paid over to the Treasury, which was agreed to. I may say that we of the Board of Directors received no opposition to this move, but it did enable us to increase our over-all expense chargeable to the total pool fund, and we got approximately \$100,000 more, last year, from the Trans-Canada “melon” than we otherwise would have received, and in the final analysis, we, the province are that much further ahead. The next dividend will amount to approximately \$1,100,000.

A few years ago there were approximately 1,100 rural telephone companies operating in this province. However, largely due to the activities of the Rural Branch acting in an advisory capacity, there have been a number of amalgamations and now the number stands at 929. Hundreds of them are well managed, have good boards of directors, provide their subscribers with good

service at a reasonable cost. On the other hand, some companies are continually in difficulty for one reason or another, usually in less productive farm areas. They provide poor service and have financial difficulties.

To ascertain what, if anything, can be done to improve the status of rural companies, we have set up a Committee to study the various phases of the situation under the chairmanship of Mr. Archie Reid. He has been provided with the assistance of one of our engineers, our rural superintendent, Mr. Cavanagh, and a small office staff. Every situation will be explored, many people interviewed, questionnaires sent out and so forth. I would ask that all concerned co-operate fully with Mr. Reid and his staff. He is acting in the interests of rural residents, and will report by July 1.

At this point I would like to pay tribute to Mr. Tom Leach, Superintendent of Public and Employee Relations, who will be retiring at the end of this month. He started with the telephone system in 1913 as a "trouble-shooter" in Regina, and since that time has held positions in various branches of the service in different parts of the province – Prince Albert, Saskatoon, Swift Current, etc. Mr. Cavanagh, Rural Superintendent since 1946, will be retired later in the year. Both these men have given years of loyal and faithful service to the telephone industry in this province.

I will now refer to our warehouse. Any organization that has grown as our telephone system has cannot help but have growing pains. That became particularly apparent in our warehouse and repair shop facilities. Today those departments are housed in an old building which was purchased in 1909, and it has become increasingly inadequate. For that reason we undertook to have a new combined stores, repair shop and garage building erected on 1st Avenue between Broad and Albert streets. Although it will be not completed until mid-summer, you might like to take a look at it; we are quite proud of it. Besides it was one of the Government projects that continued to give employment during winter months.

In the manner of distance dialling it is of interest to note that the Regina regional centre, one of two in Canada, is connected directly to other regional centres at San Bernardino and Sacramento, California; Dallas, Texas; Denver, Chicago and Montreal. I will go into further details of this distance dialling a little later on.

I now have, Mr. Speaker, some information on the microwave which is of interest to everyone in this House. Essentially, the microwave network is a long distance service, although often times the general public relate it only to network television transmission. The main network through Saskatchewan from Regina to Saskatoon has been in operation almost two years and has helped immeasurably in providing extra circuits for the distance dialling network.

Saskatchewan Government Telephones extended the system, last year, at a cost of over \$800,000 by connecting Regina, Weyburn and Estevan as well as Regina and Yorkton, with a thin-root microwave system capable of carrying up to 120 telephone conversations at the same time. Officially the television network, which uses the main microwave facilities, went into operation from coast to coast on July 1, 1958. Of course, the telephone companies who operate

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the microwave network have been using it for long distance service for sometime.

In November, Saskatchewan Government Telephones supplied the necessary facilities to link the Swift Current television station to the network. A further extension to the microwave network was completed between Saskatoon and Prince Albert on February 8th of this year. Still further extension is underway to serve the station at Moose Jaw this summer, and Yorkton later this year.

I have some information here now insofar as local stations are concerned. In spite of the fact that we almost cut in half our list of persons waiting for telephones during 1958, the system again set a new record for additional telephones. This year, Saskatchewan Government Telephones added 12,160 new ones to bring the total stations up to 159,555. While some of this growth can be attributed to the new telephone exchanges at La Ronge and Archerwill, and the acquisition of the town system at Yellow Grass the largest percentage represents the continued demand for service.

We expect that the demand for new installations will continue at about the same rate. As proof of this, in January of this year over 1,300 new telephones were installed.

Apparently the decorative qualities of our telephones is being appreciated because we increased the number of these coloured sets from 4,355 to 10,384, an increase of over 6,000 during the last year. As you already know, we have changed over three offices to automatic service during last year. Three more are being prepared for conversion: Canora, early in 1960; Meadow Lake and Outlook, early in 1961. Each conversion has meant rebuilding the town plant, new buildings, the automatic equipment and the new dial telephones on both local and rural company lines, costing the system an average of \$ $\frac{1}{4}$ million each.

In the last session I announced that 24-hour service would be established as a general policy in all exchanges of over 200 telephones. Now I would like briefly to report some very interesting features. When this service was put into effect last September, in addition to some 35 communities which already had some form of around-the-clock service, we were able to bring the convenience and the protection and enjoyment of continued service to 97 other communities for the first time. Not only were the local subscribers affected, but so were the rural subscribers on the rural companies lines which connect into our exchanges. When this service was started it included 25,000 more rural telephones and 15,000 more local telephones. Now 95 per cent of the local telephones and 80 per cent of the rural telephones connected to Saskatchewan Government Telephones are on a 24-hour service. For the province, that is an average of 91 per cent. I was really surprised, Mr. Speaker, when I got this information that 91 per cent of the people who have telephones in this province are on 24-hour service.

To show that the people of the province appreciate this kind of service, in the first four months 1,325 new telephones were added to the exchanges where the service was introduced. This is at least twice the amount of the normal increase.

Just a word on distance dialling, the latest technical improvement in modern telephone long distance service. Operating distance dialling merely means that the telephone operator dials directly the number given by the customer at the point of origin. Customer dialling means that the party making the long distance call dials directly the number required, regardless of distance. Records of calls are, of course, automatically made. It will be some time before this latter service will be available in Saskatchewan. The ultimate aim in distance dialling is to make placing a long distance telephone call as easy as dialling your neighbour. The installation of the number Crossbar in Saskatoon and the tandem Crossbar in Regina has made it possible for 50 per cent of the system subscribers to get full benefit of operator distance dialling, which is an intermediate step to customer dialling. It has many extremely valuable features which, by now, many of our subscribers have experienced. Calls are going through faster to all points of the network, and we find that the transmission quality of long distance calling has been greatly improved.

Let me give you a comparison, Mr. Speaker. Under the old method when you asked for an out-of-town number the operator, often with the assistance of other operators along the way, found a free line to the place you were calling. Now, under the distance dialling system, the operator just dials the number you are calling. Electrically-controlled switches go into action instantly and search out the fastest, most direct route and rings the telephone as quickly as you can place a local call. The longest delay you are likely to experience is the wait for the party to answer his telephone.

Forgive me, Mr. Speaker, if I put in a plug here on behalf of our public relations staff. They would like to remind everyone that calls will go through faster if you call by number. If you can give the operator the number you want, she won't have to call information at the distant office and ask for it. This doesn't mean, however, that we won't accept calls without the number; but it is a way to help save time. With this new crossbar equipment our operators have access to telephones in thousands of places in Canada and the United States which have dial systems, with two-letter dial numbering plans.

I think perhaps I should mention the fact that the decrease in the net income (something we don't like to see) during 1958 was approximately \$710,000, and it was brought about by the following reasons: an increase in the amount set aside for depreciation, partly as a result of heavy capital expense and partly because of changing the accounting procedure, bringing our accounting practices into line with those used by other major companies in Canada. This was highly desirable because of certain problems with the Trans-Canada Telephone system concerning the revenue distribution, and other matters which I referred to just a few minutes ago. The major projects are a heavy investment in facilities for distance dialling. We are beginning to show some economy, but the greatest financial benefits are yet to come. Increases in interest charges and other items of cost, including wages, continue to be a factor. I have information here on long distance business, and it has shown a marked increase over the last year.

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I think it would be of interest to the members of this House to know something of the special services we have. While we have given private branch exchange teletype service to many large customers for many years, it is only recently that mobile telephone service has grown to any extent. Last year the revenue from private lines, teletypes and mobile service amounted to approximately \$8½ million.

During 1957 and 1958, the private line and mobile service was given to the Trans-Canada Gas Pipeline Company on a temporary basis, pending the completion of their compressor buildings at Burstall, Caron and Moosomin. In the Oxbow area we opened our first general mobile service to serve small operators with mobile telephone service. Here our customers within a 25-mile radius can place or receive local or long distance calls from their automobiles or trucks. Earlier this year we installed a private mobile system for the Department of Highways from stations at Weyburn, Delisle and Regina, and that Department can supervise road maintenance and give instruction by telephone. I am sure the Department of Highways appreciates that service. I have more information on Telephones but will not go into it now.

I would like to say a word about unemployment, which continues to cause concern in the entire country. According to the joint release on the unemployment situation published monthly by the Federal Department of Labour and the Dominion Bureau of Statistics, the number of unplaced applicants for work at January 15 was 775,658, almost as many as a year ago when it was 802,905. In Saskatchewan, the number of unplaced applicants at February 19 was 25,917; this is 583 less than a year ago.

It is quite true that part of this unemployment is due to seasonal factors. Certain outdoor activities simply cannot be carried on in sub-zero temperatures. However, there are also activities that can be carried on through the winter months. This applies particularly to repairs, renovation jobs in homes and in industrial plants and office buildings. The Government of Saskatchewan welcomes the effort of individuals and organizations to increase winter employment. We have supported, and we continue to support, a winter employment campaign, using the „Do It Now“ slogan. The Government of Saskatchewan also actively supports the joint Dominion-Provincial-Municipal winter works program, which has been in operation since last December. As you know, under this program the direct labour costs of the municipal winter works projects are shared, with the Dominion Government paying 50 per cent, the Province 25 per cent, and the municipalities 25 per cent.

At the last report we had in Saskatchewan 89 approved winter works projects, the total estimated cost of which is over \$2½ million. Building of forest access roads and the improvement of camp and picnic sites also has been undertaken. With adequate assistance from the Federal Government we would be happy to do much more to alleviate unemployment and providing, at the same time, much needed facilities of all sorts for the people of Saskatchewan.

I have two paragraphs here on Fire Prevention which I think would be of interest to the members of this House, especially in view of the fact that, only this morning, we had a report to the effect that a family of six were burned to death up in the northern part of the province, up near Prince

Albert. One of our men is up there at the present time investigating the situation.

The Fire Prevention Act requires fire chiefs to investigate and report on every fire which occurs in their jurisdiction. For purposes of comparison with other provinces this information is tabulated on a calendar year basis. Statistics published by the offices of the Dominion Fire Commissioner show that, in 1956, Saskatchewan had a fire per capita loss of \$3.36, which was the lowest figure in Canada. In 1957, the losses were still lower – they totalled \$2 million against almost \$3 million the year before. Thus the per capita fire loss in Saskatchewan has declined from \$3.36 in 1956 to \$2.34 in 1957, which is an excellent record and we are very proud that we are the lowest in Canada. Unfortunately, fatalities due to fire increased from 15 in 1956 to 32 in 1957, and 39 in 1958; a bad record indeed, Mr. Speaker, which can be corrected only by citizens themselves taking every precaution where there may be fire hazards. With reasonable care there need be no fires at all. The human element is responsible in practically all cases.

The Department of Labour continues to train volunteer fire fighters. In 1957, a total of 603 volunteer fire fighters were given instruction and practical training in 21 fire-fighter training schools in Saskatchewan. I have a clipping in my hand, Mr. Speaker: “Five Hurt in Home Blast”. It is dated North Battleford, March 2nd. It says:

“Five persons including four children, were burned Saturday in an explosion and a fire at their home in this northwest Saskatchewan city. The father and his children were injured when sparks from a chimney touched off gasoline-soaked rags as they cleaned out their basement.”

Then it goes on to tell how badly the children were injured. Gasoline, Mr. Speaker, is for the operation of automobiles, aeroplanes, tractors, and so forth, and I find it difficult to realize that people are still dumb enough to try to clean up their basement with rags soaked in gasoline. It is hard to understand and those people are very, very careless.

I have some information here on higher wages. As I said a little while ago, wages are always trying to follow the higher prices, and I will enlarge on that for just a moment. Wage increases have always followed price increases in order to catch up with the high cost of living. Only a few days ago the United Steel Workers of America, for instance, offered to peg steel wages to productivity. If it were true that wage increases are responsible for price increases, the steel industry should be delighted to seize this offer, but they prefer to be able to blame labour for all price increases, whereas in actual fact the steel industry has made increases out of all proportion each time it has granted a wage increase.

A few months ago I saw a panel discussion on television where it was shown that wage increases could have caused an increase of \$1 a ton for steel, but the companies raised the price by \$3 a ton. I have a newspaper clipping on this very situation, but I will not read it just now.

There is one more item I wanted to be sure and mention, Mr. Speaker, before I take my seat. I might say, Mr. Speaker, that our inspectors in the Department of Labour also inspect grain elevators in the province to ensure that they are operating and maintained in conformity with the safety standards established under The Factories Act. During the fiscal year under review, the inspectors of the Department made a total of 1,331 grain elevator inspections and ordered alterations and improvements in cases where hazardous conditions were found to exist.

Yesterday, the member from Gravelbourg (Mr. Coderre) tried to saddle this Government with the responsibility of unemployment – just bare statements without any proof or suggestions as to what might be done. We had expected that someone would stumble in with unsupported statements of this kind, and we are not surprised. Everyone, or nearly everyone, knows that provincial governments can do little to prevent an increase in unemployment. Last July I attended a meeting in Ottawa, along with eight other provincial Ministers of Labour and the Federal Minister of Labour (Quebec was the only absentee), and in the government committee of which I was a member, I made these suggestions:

1. That more money should be made available for housing under the National Housing Act at a lower rate of interest – I suggested 3 per cent;
2. A slum clearance project should be initiated as soon as possible to provide employment opportunities wherever needed;
3. That the construction of forest access roads and the improvement of recreational facilities should be undertaken.

The Saskatchewan Government, Mr. Speaker, has done everything it could to keep as many people working as possible. I have some examples here which I secured from the Department of Public Works.:

Health and Welfare Building;
Animal Husbandry Building, Arts Building;
Technical Institute in Moose Jaw;
Theology Building, in Saskatoon;
Boys' School, Regina;
Provincial Office Building, North Battleford.

I could add the Telephone Warehouse in Regina, the new Telephone Exchange Building at Canora, and so forth.

Hurriedly – I was not able to get accurate figures as to how many people we have employed this winter who ordinarily would not have been employed, but it is approximately 300 as far as the Department of Public Works is concerned alone. I know there are more than that; but 300 per month, which works out to about 6,000 work days per month, and I can assure you, Mr. Speaker, that this Government has done everything it could to keep as many people working through the winter season as possible, and will continue to do that in the future.

Mr. Speaker, I wish to thank the House for giving me such an attentive hearing. I really expected to be interrupted once or twice. Without anything further then, sir, I will support the Budget.

Mr. J. R. Barrie (Pelly): – Mr. Speaker, in rising to speak in this Budget debate, I have been very interested in the two previous speakers, particularly the Minister of Highways (Hon. Mr. Douglas), and while I agree wholeheartedly with him in connection with the remarks he made with regard to principally agriculture, I have to take exception to two different items. One is that he apparently blames the Liberal Party and the Liberal Government in Ottawa for the loss of wheat markets. The figures I have been able to see in connection with that particular item that enters into the picture, no doubt, of the plight of our agricultural people, indicate that, in the last couple of years of Liberal administration at Ottawa, the marketing of wheat was the highest, possible, in the history of Canada. Possibly there were other factors that have brought about the present situation in which our farmers find themselves, but I do believe that today we would have been far better off, insofar as the marketing of wheat is concerned, and possibly may other instances, if the Liberal administration were still in power at Ottawa.

There was one matter, I found it very hard to reconcile the hon. Minister's attitude with that of his Party because, over the past few years, we have heard a lot of laments and criticism in connection with surpluses, particularly the surplus the farmers have in the way of wheat, and I was amazed today to hear the lament turned to another direction. Now the Minister of Highways was lamenting because the surplus on the farms was going to be moved off them by the end of July. That is a very peculiar attitude, and, as I say, I can hardly reconcile my thinking along the same lines he does.

One other matter is that I was rather disappointed, and surprised too, that the Minister of Highways could be so insistent in having written into the record of this House that particular article from the „Saskatoon Star-Phoenix“, and particularly so when it was drawn to his attention that there was some question as to the validity of it. I have had placed on my desk a „Star-Phoenix“, too, but I don't propose to read the article in that particular issue of the paper; it is against my principles. I don't believe those things which have no real relation to the debate, and deal in personalities, have any place in this House; and, for another reason, there should be no time wasted in such things. If I wanted to follow the same procedure, I know it would be very embarrassing, possibly, to certain individuals in this House and to their Party and others. So I don't propose to read it, but I just want to mention the fact, and I hope members on both sides of the House will take it into consideration in future.

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I wish to turn to some matters with which I wish to deal for the next while, and the first thing is that today there is concluding in the city of Saskatoon, the Municipal Convention. I want to take this opportunity to place on record at this time a tribute to those men and women throughout the province who have carried on our local governments in years past, and at the present time. I am afraid that, in many instances and on many occasions, the gratitude that is due these people, they do not receive, and some of us probably do not appreciate just what contribution they have made to the province of Saskatchewan and to the people of Saskatchewan.

After considerable time, and after a considerable number of times of prodding and discussing and suggesting a matter of municipal concern, the matter of a Municipal-Provincial Conference, the Government here saw fit to convene on in 1956. The fact that particular conference was convened, I think in all modesty, we, as a Liberal Party and particularly the Official Opposition Leader, the hon. member for Moosomin (Mr. McDonald), can take some of the credit for this particular Conference being held. I believe at that particular time most of the people concerned, by far the majority, had certain ideas in mind. They had certain ideas of what this particular Conference would accomplish, what would be discussed at such a Conference, and so forth.

I happened to have the privilege of attending that Conference purely as a visitor. Up until then I had not sat in this House. I found, in listening to the sessions, the entire emphasis was put on trying to sell the idea of the larger units of municipal administration. During the course of that particular Conference, I found many remarks were made, by various speakers, that I would not consider complimentary in the least to the municipal officials of this province. But out of this Conference very little came at the time, outside of setting up a Continuing Committee. This Local Government Continuing Committee has been in session, has held a great number of meetings, and I believe are possibly trying to do, under the circumstances, a good job. But I notice in the interim report which has been issued after the two years that this Committee has been in being (I think all the members of the Assembly are familiar with it) that a very substantial portion of this interim report is also dealing with provincial-municipal boundaries, countries, and such like. This is a matter of grave concern, ever since 1956, and prior to 1956 (and still is today) to many people in this province, particularly the people in the rural areas, and they feel, or have felt, and probably have justifiable reasons for feeling, that there was some attempt on the part of this Government to foist upon the people of the province of Saskatchewan, larger municipal districts, or the county system, in a similar manner to which many of the larger school districts were brought into effect. I say many people are very concerned in this matter.

I am glad to say the Premier of this province, this week, speaking to the Convention in Saskatoon, made certain statements regarding this particular item of concern, and while this will be welcomed to a degree by a large number of people throughout the province, I must say there is still room and place for doubt.

Hon. Mr. Walker (Attorney General): – He said the same thing at the Conference.

Mr. Barrie: – This is what the Premier said as quoted in „The Leader-Post“ of March 5:

“The Premier said his Government remains convinced that some form of reorganization is essential and desirable, if local government is to play its proper role in our society.”

That is still the opinion of the Government, apparently, and they are quite correct in having that. But he went on to say – and this is in quotation marks, so I imagine they are quoting him directly:

“„That any decision finally made will only be made on the advice of the local government organizations. No arbitrary action will be taken by the Government, nor will any pressure be exerted to bring about changes either in structure or boundary of local government.“”

I think this is a very good statement.

Hon. Mr. Walker: – He said the same thing at the Conference!

Mr. Barrie: – I think many people in the province will take comfort from that statement, but I had hoped the Premier had seen fit to go a little further and assure the people of this province that, before any change is made in municipal boundaries, or the units of municipal administration, a vote will be held of the resident ratepayers in their particular area. That is the stand we on this side of the House take in connection with any alteration or suggestion there is of changes in our system of local municipal government. I think possibly we are not too far wrong in that particular stand at the present time, because I notice that this week, arising out of that convention in Saskatoon, one of the resolutions passed by the delegates in convention was to this effect: “That the Saskatchewan Association of Rural Municipalities is not in favour of the large municipal unit or county system of administration”. Very short, very clear and very concise; so apparently the municipal men in this province are not in favour of this larger system of municipal administration.

This Committee is carrying on. I notice the Chairman of the Continuing Committee, Mr. McAskill, mentioned when he was speaking to the delegates at the Convention this week, that it would possibly be another year before their final report would be available. Some of the people at the Convention seemed to think it would take much longer; but irrespective of whether it is a year, six months, or two years, I certainly hope that arising out of the findings of this Committee, and in their report, and due to the time, effort and expense involved, they will be able to come forward and give some direction not only to the Government of this province but to all the people of this province, in the matter of something a little more than municipal boundaries. The problems (I don’t need to repeat them) that are being and have been faced by the municipal authorities, the local government bodies, are still there. There is the matter of the division of responsibility between the provincial government, the parent body and the municipal governments; there is the matter of finances in many, many cases. Irrespective of what the boundaries may be, whether they

are larger or smaller or remain as they are, these problems won't be solved by the changing of boundaries.

I would like, before leaving the Municipal Convention, to bring particularly to the attention of the Government members something we have heard a great deal about during the last few months, and that is the question of Time. I noticed they passed a resolution at the convention in Saskatoon this week, and when this resolution was passed, according to the press report, there were over 1,200 people present, and I believe members will agree with me that the Rural Municipal Convention is really representative of all the province of Saskatchewan from the rural areas. Then the press reports stated, after the resolution had been carried practically unanimously, that the Time question go back to where it was before the legislation we now have came into effect, there was only one lone person opposed the resolution on the floor of the Convention. I believe this is an indication of what the majority of people throughout the province feel in connection with Time, and I think the Government, and possibly the rest of the members of this Assembly, could be well guided by the outcome of that particular discussion and the resolution which was passed at the convention.

I with now to turn to another item, and it is the item of debt. It has been said in this Chamber, on several occasions, we should not have any fear of debt. I think only yesterday, if my memory serves me correctly, the statement was made we should not be afraid of debt. To a point, such may be true, but I am one of those individuals who is afraid of debt. I think it is something we should all concern ourselves about very much. I am afraid the public in this province, and possibly some in this Chamber, have a very wrong impression of the financial standing of the province of Saskatchewan, and consequently the people of Saskatchewan, because we have certain confusion in accounting, and we have certain misunderstandings, possibly, and perhaps talk too much about a small part of our debts, the net debt.

Before I go any further, I want to say that in the remarks I am about to make regarding the financial standing of the province particularly in connection with debt, I am not injecting any figures of my own, or any from the Dominion Bureau of Statistics, or any place else. Everything I deal with from here on in are taken from, and are contained in, these two books – the 1960 Estimates, and the Budget Speech, the speech the Provincial Treasurer delivered a week ago. These are the figures compiled and set out by the Government. I mentioned there was certain confusion in the minds of some people, and I would say, if you would turn to page 8 of the Budget Speech, you will find comparison statement of assets, liabilities and net debts of the province. On December 31, 1958, you will see that, in this particular statement on page 8, it indicates a net debt of \$26,976,000. I believe possibly this is the correct figure of the net debt of the province; but to show how confusing this is, if you will look on page 9, you will see another comparison statement. In the statement on page 9, you will find that, while this is a statement made up on the formal basis of calculation, it shows the net direct debt at December 31, 1958, to be \$41,283,921. This is quite a sizeable difference. On these two pages in this document, there are two items, „Net Debt“ and there is a difference of \$15,274,000. I am not saying there is anything wrong with this, but I am trying to use this as an example to try to indicate to this House how confused the people can get – not intentionally confusing them; but how confused they can get when different systems of accounting,

different types of calculation are entered into. And that is what has happened here. That is exactly what has happened here.

Hon. Mr. Fines: – We could still give you half a dozen other systems.

Mr. Barrie: – Yes, I know. But the point I am trying to make is that the people in the country, and possibly some in this Chamber, do not realize just what condition we are in financially. I am making no apologies here, this afternoon, for bringing this out, because, if more mention were made of the gross direct debt of this province, probably people would become a little more debt conscious. It might be something which would help the members including the back-benchers on the opposite side to realize that possibly demands they have frequently made upon them or which are being made upon them, would be considered in a little different light. The direct debt of this province (if you want to find that, it is on page 46 of the Budget Speech) as at December 31, 1958, amounted to \$333,192,000, and in addition we have contingent liabilities at the end of December, 1958 of \$6,413,000. This is quite a different story, and makes quite a different impression on the minds of the people of the province as between what we see on page 8 – a net debt of \$26 million odd. These cover two entirely different fields, I know, in the way of debt. This gross debt covers all the debt the province of Saskatchewan owes. Against it, of course, we have assets. We have accounts receivable, particularly from our Crown Corporations, and Utility Corporations. But many things can happen to accounts receivable, as any business man knows, and I will endeavour, before I resume my seat to point out some of the risks, some of the hazards, we are confronted with in this province at this time.

I would like those members who have those particular documents at hand to take the 1959-60 Estimates and turn to page 53. There you will find the real picture regarding interest which is being paid by the people of the province of Saskatchewan, either through our Crown Corporations, our Utility Corporations, or directly from the general funds of the province. It is provided in this 1959-60 Estimate that the interest bill for the coming year is \$15,169,040. To be fair with this – I'm not trying to make any political capital over this, my motive is something different; but to be fair about this, the Crown Corporations and Utility Corporations and such like, sinking funds, and so on, will contribute so much towards this particular interest bill; but nevertheless the bill we are going to have to pay in the year 1959-60 is \$15,169,000. These figures, in my opinion, should have much more publicity than they have been given in the past. This will awaken some of the people in the province, to desist making demands for increased expensive service, and extravagances that I know this Government (or any government) might . . .

Hon. Mr. Fines: – Mr. Speaker, may I ask one question here? Does the hon. gentleman object to the expenditures of money and the borrowing of money to expand the power facilities of this province, and the telephone facilities?

Mr. Danielson (Arm River): – Sit down!

Mr. Barrie: – I do not object to that, no, but I want to point out there is a risk and a hazard to it. The next item I wish to

bring to attention – I want to reiterate these are the figures supplied by this Government in their own document; if they will turn to page 5 of the Estimates for this year, it is proposed to borrow on the credit of this province and against the resources of this province, another \$45½ million. This will be in addition to the direct gross debts which we have today, of \$333 million, and they have provision on the same page (page 5 of the Estimates) for the redemption of debt during the year \$15,200,000. But it will still leave \$30 million which is going to be added during the next fiscal year, to the gross direct debt of the province. Possibly this debt alone could not be construed as being too great providing economic conditions in the province were to continue as they have been for many years, and we are certainly hoping they will continue so in the future. But, in addition to this debt which we have, we also have great commitments and contingent liabilities.

Before I resume my seat, I think I will point to one or two statements made by the Provincial Treasurer which I consider very wise ones. In the event something were to happen, such as crop failures, etc., then we would find ourselves, and particularly the Provincial Treasurer would find himself, in a very unenviable position, because just recently in this House, he committed the resources of this province to another \$10 million. Every business has a hazard and a risk. Don't make any mistake about that. He has committed this province not only to \$10 million, but if anything happened, we would be committed to the interest that might accrue on that \$10 million as well. Then we have a commitment with which I don't think many of us find fault to too great a degree, though it is unfortunate, possibly, that we have to put up as much as we have, but we have great commitments in the next few years in connection with the South Saskatchewan River Dam project. I don't think anybody in this House will deny that.

Then, even in this budget further expansion and development of power projects is forecast, which are probably needed, and will take millions of dollars, and I imagine the Telephone Crown Corporation, with microwave and such like, will need substantial sums of money to carry on the program for this particular public utility. Then we have the Farm Credit plan which is forecast in the budget. We have to pledge the resources of the province of Saskatchewan for certain loans to farmers, which is a very fine thing, in my opinion. But the Minister of Highways today in the House outlined expenditures which should take place, and will be required in the province for the development of northern roads. So we have great demands made upon the Government of this province, irrespective of who they may be, and I think in view of that, we should certainly have the public better informed than they are. If they were, possibly they would be a little more lenient, a little more moderate in their demands which are made upon the taxpayers of this province through the Government. That is the point I am trying to make.

Just by way of example, I want to refer to what large corporations can have happen to them. This particular article I wish to read now is in connection with an article I noticed this morning in „The Leader-Post“. It said: “Creditors Accept Settlement”. I am just using this as an example of what can happen to large corporations or large companies, and this has to do with the Anglo-Canadian Cement Company, which is a large company operating in the city of Vancouver, B.C., where they have a potential market made up

of two million people, as compared to what we have here in Saskatchewan. It goes on to say in this particular article:

“... the preferred creditors of this particular company, who apparently are bankrupt, last Tuesday accepted an offer of ten cents on the dollar for their claims. Those preferred creditors were the Federal Government and the Provincial Government of British Columbia; the income tax department hardware stores, and provincial sales branch.”

This thing must have been in very bad condition; they must have certainly gone „in the red“ when preferred creditors such as the Dominion and Provincial Governments have to accept settlements on that basis. The unpreferred creditors, the ones who had no security whatever, the employees and other unsecured creditors, made a settlement a week ago – I’m sorry, I don’t know what that settlement was. But we find now that the secretary-treasurer of this particular company was Mr. J.N. Turvy, and together with Mr. J.W. Sharpe, President of Prairie Pipe – a man who, I believe had a great deal to do in organizing the Saskatchewan Cement Company, and the man who is now one of the promoters of the Interprovincial Steel Company – these two gentlemen are amongst a group of men who are trying to take over this Anglo-Canadian Cement Plant. So this is just to prove to you that, no matter how large the company may be, no matter who the management may be, there is a great element of risk involved in any business concern, whether it is private or public. For that reason I say we should advertise, give more publicity to the big item in our indebtedness, that is the gross public debt of the province, along with all of the other commitments we have had to make.

I hope economic conditions will continue in this province so that there will never be any difficulty with any of these loans, or any difficulty in probably expanding even further; but nevertheless it is time somebody became realistic, that somebody gave some warning of what might happen.

There is one indication of this that we must accept, taking into consideration what I have outlined just in the last few minutes, and that is we have a very large and a steadily-increasing gross public debt. We have large contingent liabilities and commitments as a province, and we have a heavy interest burden. Whether Crown Corporations or whether public corporations pay it, we still have a heavy interest burden to pay, with a comparatively small population, and that population, I’m sorry to say, has limited incomes as compared to people in other parts of Canada. So the risk and hazards, if anything were to happen, would be very disastrous. In effect we must face up to the fact there is little prospect in this province under these conditions for any reduction in taxation. There is very scant hope for any reduction for some years to come, in the rather high utility corporation rates the people of this province pay. It may mean, if a squeeze comes and these particular commitments have to be met, there will be scrimping in an attempt to save on the more essential services that the people of this province hope to have, and more or less demand. The truth is that without doubt our future is mortgaged, and mortgaged heavily, and any individual knows what can happen when his home, his farm or his property is mortgaged.

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I made reference just a few moments ago to a statement contained in one of these particular documents, and it is the warning the Provincial Treasurer gave, on page 5 of the Budget Speech, and I think he is quite correct when he said – and I quote from the Budget Speech:

“Assuming normal crops, I think we can anticipate only a slight decline in farm cash receipts. On the other hand, a short crop in 1959 would be directly reflected in a sharp reduction of both cash and net income, with resultant repercussions throughout the whole provincial economy.”

Quite right! And if there was a complete crop failure, then he, of all people, and the members of the Government, would be the people who should be most concerned. They would have to use a common expression, a real headache. So I say we should make more mention of the fact that we have a very large gross debt. There should be more publicity given to this in order to make people more debt-conscious; to make them realize what has had to be done in order to provide them with what they have today.

I think I would be remiss if, before I conclude, I did not make some mention of two disappointments particularly, in the Budget. I refer you again to the Budget Speech (page 19) where our Provincial Treasurer stated:

“We all recognize that we must do everything we can provincially to help in reference to the present farm problem. First we must continue to expand our services to individual farmers, to assist them in maximizing production and the returns to the family farm.”

I am quite in accord with what he says; but when we look at the estimates for the coming year for the Department of Agriculture, I don't know how he is going to expand the services very much, when he has reduced the estimates by \$188,000.

There is one other item I am particularly disappointed about in this budget, in view of the fact that I had the privilege of acting as one of the members of the Committee set up by this Legislature to investigate liquor problems and liquor outlets. I know, throughout our travels, in or consultation with other people and in discussions in Committee, there was one thing that was always to the fore shortly after this Committee got under way. I think every member of the Committee realized that in alcohol there is a very serious problem and one of the only approaches if not the only approach, to some solution is the problem is an intensive campaign of alcoholic education. I think most members have read the recommendations in the Report of that Committee, and you will have noted in the report that great emphasis was placed on the matter of a „go-slow“ policy. I concur and agree with statements made in this House during this Session, that a go-slow policy is the only policy to be adopted.

Coupled with that was the matter of conducting an educational program to try to convince people to change their drinking habits, and reduce substantially the consumption of alcohol by the people of this province, and \$26,000 is the added appropriation made for this particular work by the Bureau of Alcoholism. I am quite satisfied there cannot be a very large or expansive program of education in this very important matter carried on with this \$26,000.

I only hope, in conclusion, that very careful consideration will be given by the Government to one matter outlined in that Report. From what we have before us in this House, it seems there is going to be a separate licensing authority to take care of the licensing of any new outlets which may come in, and no doubt to have change, or have authority over, the outlets which we have in the province of Saskatchewan at the present time. I think each and every member of the Committee, from our studies and our travels, will agree with me when I say that, within the licensing board lies possibly one of the most important features in the whole liquor problem in this province, and I certainly hope the men or women who are appointed to that board are men and women of astounding ability, integrity and reputation, and that they are men and women who have had experience, possibly some in judicial matters. Above all else, I hope enforcement of whatever regulations may be brought in, is certainly given the utmost attention by the Government and those in authority.

Mr. Speaker, with these remarks, I wish to say that I will not support the budget.

Hon. Russell Brown (Last Mountain): – Mr. Speaker, I am not going to take time to comment on the remarks of the hon. member who just preceded me, but I must say that I was interested in at least two statements which he made. One, he apparently proposed that we should give more publicity to the province than we have with respect to public financing in the province. I was rather happy to hear that, because I gathered, during the past two days, that most of his colleagues were opposed to the Government doing anything in the way of advertising and publicity and letting the people of the province in on what is going on here in Saskatchewan.

Mr. Danielson (Arm River): – Oh, silly!

Hon. Mr. Brown: – I was also pleased to hear the hon. member make a statement to the effect that, because of the financial situation in the province, in all likelihood we would not be able to look forward to tax reductions in the immediate future, and he added to that: “in all likelihood we would not be able to expect any reductions in the rates charged by our public utilities”. Again I was rather happy to hear the hon. member make that statement, particularly with respect to public utilities. He apparently is one gentleman on the other side of the House who has some understanding of the problems which we have, here in Saskatchewan, in operating a public power and gas utility. Apparently he is intelligent enough to know that, because of those problems, it is not possible to carry out some of the proposals which emanate from some of his colleagues from time to time.

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I had intended, Mr. Speaker, and had hoped, to confine my part in this debate to something of rather a constructive nature. I had hoped to be able to spend my time presenting to this House a review of operations of the Saskatchewan Power Corporation during 1958; to give some accounting of what we did with the better than \$60 million which was made available to us for the investment last year, and also to take a look at what we intend to do with the \$36½ million which the Provincial Treasurer has indicated he intends to borrow for us for our programs in 1959. However, I sat here during the last few days, during the Throne Speech debate, and also during the budget debate, and am beginning to feel much like the partner in a knife-throwing act – the one on the receiving end of the knife! I have listened to a lot of the old charges which we have had thrown at us for a number of years, and I have listened to much of the same line of discussion which seems to arise on the opposite side of the House just before an election is in the offing. I am beginning to wonder whether or not my hon. friends have taken too seriously these rumours that there will be an election in 1959! I gather they must have, because once again they are going back to the same line; the same charges, the same tactics, which they have adopted on the eve of the last three elections. I would just like to remind them that those particular tactics and charges were no doubt the causes of their defeat in the last three elections, and no doubt were a great contributing factor to the wipe-out of the Liberal Party in the Federal election last March.

Mr. Loptson (Saltcoats): – You seem to welcome it, anyway!

Mr. McFarlane (Qu'Appelle-Wolseley): – Have you changed your name?

Hon. Mr. Brown: – They are going back to the same line which I have in this House before, likened to the tactics of Hitler – the big lie technique; if you say something often enough and make the lie big enough, our friends opposite believe there are bound to be some people, at least, who will begin to believe them.

Mr. McFarlane: – You're an authority!

Mr. Loptson: – You should know!

Hon. Mr. Brown: – I am going to suggest to them that this line is not going to do them any more good when the next election rolls around, than it did during the past three election campaigns.

I have listened to my hon. friends preening themselves over there, getting up and beating their chests, and saying, "Well, we'll fix you fellows the next time we go to the polls." Again I would like to suggest we have heard exactly the same line on the eve of the last three elections. My hon. friends opposite remind me of a punch-drunk fighter, continually getting up off the floor and saying, "Ah, they didn't lay a glove on me!" They just don't know when they are beat!

I was rather amused the other day, Mr. Speaker, when my colleague, the hon. Minister of Mineral Resources, quoting from an article in „The

Monetary Times" apparently got under the skin of our friends opposite, and they began to react like a burro with a bee under his blanket! The article which the hon. Minister of Mineral Resources referred to was, of course, a little article written by a political observer who made a trip across Canada early in the new year, and he wrote of what he considered to be the political situation as he saw it. He said, of course, when he was referring to Saskatchewan (they may not be his exact words) something to the effect that, in Saskatchewan, Premier Thomas Douglas appeared to be heading for his fifth verdict in a row, the reason being that the Liberals in Saskatchewan did not appear to be any kind of a threat, and the Tories, although recently rejuvenated, provincially were even less than a threat.

Hon. Mr. Walker: – "Bill" Manning agrees with that!

Hon. Mr. Brown: – I am going to suggest that I cannot help but agree with the reasoning of the writer, and I think there are an awful lot of people in Saskatchewan who also would agree with that statement.

Mr. McDonald: – Time will tell!

Hon. Mr. Brown: – My reasons for agreeing probably are two-fold, but I have one very good reason and that is the fact that, in my humble opinion, the Liberal Party in this province has lost the confidence of the people entirely; they have forfeited any right to expect to be considered as an alternative to this Government, by the actions they have undertaken in the past. The irresponsible promises which they have made, the ridiculous charges of all kinds made against this Government, to my mind have cost them any possibility which they might ever have had of become the Government of Saskatchewan once again.

I suggest you only have to look at some of the things they say about the Saskatchewan Power Corporation for proof. We have listened during this Session to any number of members opposite get up and cry there has been discrimination against the farmers of Saskatchewan, because the farmers have been asked to contribute part of the cost of taking power service to their farms. This is an old dodge of these Liberals. They used it in the last two elections. They did not get anywhere then; but they haven't anything else to talk about, so they're going to try to ride the old dead horse once more. They know as well as I do that there is not discrimination insofar as the farmers of this province are concerned with respect to the cost of providing electric services.

Mr. McDonald: – Nonsense! Bunkum!

Hon. Mr. Brown: – They know full well that when it comes to the amount of money that has to be invested to provide electricity in this province, the Corporation is called upon to invest over twice as much on behalf of the farmer as we do on behalf of the urban dweller.

Mr. Danielson: – Who is going to pay it back?

Hon. Mr. Brown: – They have had that pointed out to them time and time again.

Mr. Danielson: – Who is going to pay it back?

Hon. Mr. Brown: – I’ll come to that later; don’t worry!

Mr. Danielson: – You haven’t got the brains to look that far ahead!

Hon. Mr. Brown: – Mr. Speaker, I have heard a lot of brainless jackasses in my time, but I have heard the prize of them all just now! Let me tell you this. They know that, when it comes to the cost of providing service to a customer, you can take the investments which are required to be made on behalf of any customer, and you can ascertain exactly what it costs to serve him as an individual. When you do that you find, and it is usually proven, that it costs exactly \$1,250 to serve a farmer, and it costs exactly \$330 to serve a customer in an urban centre. It is quite true that the farmer is asked to put up \$500 of the \$1,250, which does leave \$750 which the people of this province have to invest to service the farmer. On the other hand, the urban customer is asked to put up \$10, and the Corporation puts up the balance of \$320. As the Premier said sometime ago, when he was speaking, “if that is discrimination, then that’s the kind of discrimination the farmers would like to have had many long years ago”.

Mr. McDonald: – That’s just half the story!

Hon. Mr. Brown: – My friends like to talk, too, of power rates. I heard one of the gentlemen yesterday crying about the power rates which the people of this province are asked to pay. I have no objection at all to anyone making a charge of that kind, if it could be substantiated. But there is absolutely no reason why anybody should get up and say that the rates charged by the Power Corporation at this time are too high. If you listen to my hon. friends, Mr. Speaker, you could not help but gather they were under the impression that, because of the rates which are charged by the Corporation, the Corporation was making fantastic profits each and every year.

Mr. Coderre: – Off the farmer – that’s right!

Hon. Mr. Brown: – Let’s stop being ridiculous. They have an opportunity to study the financial statement every year. They know how much money the Corporation makes in a year, and I defy them or anybody else to show me how you can reduce those rates by any amount and still keep the Corporation operating in the black.

Mr. McDonald: – Mr. Speaker, I would like to suggest one way to the Minister . . .

Mr. Speaker: – Order! Order!

Mr. McDonald: — . . . open his tenders in public . . .

Hon. Mr. Brown: — . . . right now, or any other time.

Mr. McDonald: — You are a great one to be whistling in the dark!

Mr. Foley: — Mr. Speaker, may I ask the hon. Minister a question? Is it not correct that the so-called reduction in the power rates this year actually turned out to be an increase in most of the business places in the province!

Hon. Mr. Brown: — No, that is not correct. If you read the press releases, you would find that we said it would not mean a reduction to all commercial users, and that is quite correct. They did not all get a reduction.

Mr. Foley: — Mr. Speaker, I have it on good authority from a number of business firms . . .

Govt. Member: — Who's making this speech?

Mr. Speaker: — Order! Order!

Hon. Mr. Brown: — I don't mind answering your questions when we have a little more time. But this is the kind of stuff we have to put up with, Mr. Speaker — howling for rate reductions for the poor people of this province, when, if they took the trouble to study the documents which are placed before them, they could not have come to any conclusion but that what they suggest is utterly impossible. I have heard the gentlemen stand up here in this House, beat their chests and say: "It isn't good enough just to take power to the people in this province; what this province needs is a low cost source of power". That is the statement, I believe, made by the Leader of the Opposition.

Hon. Mr. Nollet (Minister of Agriculture): — He finally woke up!

Hon. Mr. Brown: — That's a fine statement, but the gentleman did not bother to say what we were supposed to do about it, or where we were supposed to get it. As a matter of fact, we do have sources of low cost power in this province, because the power which is produced in Estevan from the coal down there is still probably about the cheapest power that you can produce anywhere in Canada at the present time. We do have, too, in the northern part of the province further possibilities which we will begin developing sometime this year. Why then do we have to charge the rates which we do? Well, there are quite a number of reasons, of course, but I think most people understand the problems which we have here in Saskatchewan, insofar as providing power to the people are concerned. First, of course, we started out just a very few short years ago with practically no power facilities at all in the province, and during the course of a very few years, we have had to invest somewhere in the neighbourhood of \$200 million. This

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money has had to be invested during a time of high prices and high interest rates. We are also faced with the fact that we have a huge area to cover, which has meant many thousands of miles of transmission and distribution line, and we are also faced with the fact that in Saskatchewan we have a sparse and scattered population.

All of this has added to the normal cost of providing electrical service and, because of that we find, even though we may be able to produce power at a fairly reasonable cost, by the time that power is made available to the consumer the price is substantial, and we are not able to provide power at prices similar to those that apply to some other provinces.

I was interested in listening to the hon. Leader of the Opposition, when he made some comments on this matter, and he mentioned the fact that in Manitoba power rates were lower than they were in Saskatchewan; and then he came over to Alberta, and he said, of course, that Alberta gas rates are lower than in Saskatchewan.

Mr. McDonald: – That's true.

Hon. Mr. Brown: – I don't know why the hon. member didn't bother telling the reasons why they are lower in Manitoba. There are very good reasons why they are lower or why they should be lower; but the gentleman didn't bother telling us that while power rates were lower in Manitoba, gas rates were about 25 per cent higher, and there is no justification for this difference whatsoever, when you take into consideration the very small difference in transmission charges as between Saskatchewan and Manitoba. He didn't bother telling us, either, that in Alberta, while they may have lower gas rates, the farmer there is called upon to pay anywhere from \$1,200 to \$2,000 for his power installation. He didn't bother telling us, of course, that gas in Alberta has been available for a great many years; it has served a community which is sitting practically on top of the gas field by systems which were built many years ago, which have been paid for by way of depreciation; and he did not tell us that, because the price of gas is beginning to go up in Alberta due to an export market becoming available, the two main utilities in Alberta have now applied for an increase in gas rates.

There are a number of other things which I would like to deal with, and among them is the work which was undertaken by the Corporation last year, and also our program for 1959. There are also a number of other things I would like to deal with – statements which have been made by my hon. friends opposite during the last few days; but, because we are drawing short of time, I would beg leave to adjourn the debate.

(Debate adjourned)

The Assembly then adjourned at 5:30 o'clock p.m.