

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Thirteenth Legislature
18th Day

Monday, March 9, 1959

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

DEATH OF MR. BEGRAND

Premier Douglas: — Mr. Speaker, we received the news of the untimely death Sunday, of one of our colleagues, Mr. Henry Begrand, the member for Kinistino. Mr. Begrand had been in good health, and therefore his sudden death comes as a very great shock to all of us. I don't think there is any need for me at this time to give any biography of Mr. Begrand, but I think all of us would want to say that his long experience in public life, both municipally and provincially, his deep human sympathy and his outspoken courage have made him a very valued and highly respected member of this Assembly. I think all of us would want to say to Mrs. Begrand, and the members of the family, that we would extend to them our deepest sympathy. While there is little one can say at a time like this that will assuage their grief, we hope it will be some comfort to them to know that Mr. Begrand leaves behind him a great host of friends, and an enviable record as a member of this Assembly, as a warm-hearted colleague and as a man who was devoted to the public service and to the service of his fellow-men.

I have been in touch with the family, and I believe the final arrangements are that the funeral will be held at 10:00 a.m. on Wednesday at the St. Louis Church in St. Louis. In discussing the matter somewhat quickly with members of various parts of the House, I think the general feeling is that the members would like to adjourn the Assembly on Wednesday so that as many as possible could attend the funeral service. If that is the general feeling, I would be glad tomorrow to introduce a motion that the House would not sit on Wednesday. If any of the members feel that it would be unwise for us to adjourn, I would be very glad to hear from them. If I don't hear any expression to the contrary, I shall tomorrow introduce a motion that the House do not sit on Wednesday.

I think, Mr. Speaker, while I am on my feet I should probably mention the very sad loss of six people in a fire at Batoche. This is a very great tragedy for both that family and that community.

I would like therefore, Mr. Speaker, to move, seconded by the hon. Leader of the Opposition (Mr. McDonald):

March 9, 1959

“That this Assembly, deeply shocked at the sudden and untimely death on Sunday of Mr. Henry Begrand, respected member for the constituency of Kinistino since 1952, records its profound regret at the loss of a valued friend and popular colleague, and extends to his widow its warmest sympathy, and to the members of his family its sincerest condolences, praying that merciful Providence will solace and comfort them in their recent bereavement.”

“And further that Mr. Speaker transmit to Mr. Begrand this resolution on behalf of this Assembly, the members of which will sorely miss his participation and his deliberation, and his amiable presence in their midst.”

Mr. A. H. McDonald(Leader of Official Opposition): – Mr. Speaker, I should like to associate myself and my colleagues with the remarks of the Premier on this occasion. I feel there is little, if anything, that I could add to what has already been said by the Premier. I think probably one of the most expressive things that one could say about the late Mr. Begrand is the fact that he was a kindly man, and it has been my experience in life that when one has the opportunity of meeting such a person, one immediately becomes a friend of that particular person. I think that is the great reason Mr. Begrand had so many friends among the members of the Legislature on both sides of the House, and so many friends throughout the province of Saskatchewan. Of course we would all like to associate ourselves with the remarks of the Premier, in extending our sincere sympathy to the members of the family, and I believe with the suggestion that has been made that the House adjourn on Wednesday to give as many members as possible the opportunity of attending Mr. Begrand’s funeral.

Mr. A. P. Weber (Meadow Lake): – Mr. Speaker, I would also like to associate myself with the Premier and the hon. Leader of the Opposition in expressing our condolences to the immediate family of our deceased hon. member, Mr. Begrand. I would like to say at this time I am quite sure that every member of this Assembly, on the Government side and the Opposition side, will miss the presence of Mr. Begrand. As the Premier outlined, there is a possibility, if we are all agreed, to attend the funeral and adjourn the House on Wednesday. As far as we are concerned, in our group we are of the same opinion that we should not sit on Wednesday.

(Motion agreed to by silent standing vote)

BUDGET DEBATE

The Assembly resumed from Friday, March 6, 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 Committee of Supply).

Hon. Russell Brown (Minister of Travel and Information): – Mr. Speaker, on Friday afternoon shortly before the House rose, I got to my feet to participate in the debate on the budget. I mentioned at the outset that it was my intention to spend most of my time dealing with the operations of the Saskatchewan Power Corporation, particularly what went on during 1958, and giving some indication of what the program will be for the year 1959. However, before doing so I felt that it was only right that I take the opportunity to spend a few moments dealing with some of the charges which have been directed my way from across the floor, with respect to the policies being followed by the Corporation.

I mentioned that, during the past few weeks, as we have during the past few years, we have listened to the hon. members opposite make the charge that the Saskatchewan Power Corporation was discriminating against the farmers of this province because we ask them to pay part of the cost of providing service to their farm while, my hon. friends suggest, such is not the case with the urban customers who receive their service for a very nominal amount. I pointed out that that charge is rather groundless in view of the peculiar circumstances which we are faced with here in the province. I pointed out on Friday, as I have done in the past, that rather than the farmer being discriminated against, he was, in effect, actually being given better treatment than is the case with the urban customer, in view of the fact that, while it is true he is called upon to pay on an average \$500 to receive service to his farm, nevertheless, the Corporation is called upon to make an investment on his behalf considerably greater than is required for an urban customer. It costs the Corporation something in the order of \$1,250, on the average, to provide service to the farm customer. It costs the Corporation, on the other hand, something in the order of \$330 to provide service to an urban customer. Therefore, while the farmer is asked to pay some \$500 towards the cost of providing his service, the Corporation is still, as I have said, called upon to invest some \$750 on his behalf. The urban customer has to pay something like \$10 for his service with around \$320 invested on his behalf by the Corporation.

I pointed out, too, on Friday that it was rather ridiculous to accuse the Corporation of maintaining the rates at too high a level in view of the fact that an examination of the financial statement of the Corporation would clearly indicate that the Corporation is not making any exorbitant amount of profit; that while we do in Saskatchewan have some cheap sources of energy, namely the lignite coal fields in the Estevan area, nevertheless, because of the wide area which the Corporation is called upon to serve, the high investment which is required in high tension transmission lines in order to get the power from its source to the people who require it, the investment which has to be made in distribution services, and the sparseness of our population, all add up to the fact that while you may be able to produce energy at a fairly reasonable cost, by the time you have it to the customers' homes, the rate must of necessity be around the level that it is, if the Corporation is to keep from operating at a loss.

March 9, 1959

I pointed out, too, that is one thing we dare not risk, because when the day comes that the Corporation does not show a reasonably good operating statement and balance sheet, just as soon will the day come when it will become difficult for the Corporation to continue to borrow the money which is required for future expansion of the system.

I would like to say here, Mr. Speaker, before somebody else suggests that, I do not hold with the policy of rebate to farmers that neither I or the Government have ever made that statement. On the contrary, I have very definitely stated that when the earnings of the Corporation warrant it, when the financial position of the Corporation warrants it, then certainly the Corporation and the Government will take a look at the possibility of rebating, by some means, the construction charges which have been paid by the farmers of this province. What I have said, Mr. Speaker, is simply that, as long as the adoption of such a policy would jeopardize the soundness of the operation of the Corporation and its future, then this Government would not advocate such a policy simply for the purposes of some hoped-for political gain.

There are a number of other charges which have been made during the last few days which I hope I will have an opportunity to deal with before I take my seat; but because I do want to let the House know what we have been doing during the last year, and also want to let the members in on what our plans are for 1959, I am going to leave those charges for the time being, and move to a report of the progress which has been made during the last while.

I would like to point out that this is a year of anniversaries insofar as the Corporation is concerned. February 1st of this year marked the completion of the first ten years of operation as the Saskatchewan Power Corporation. It is also ten years since the beginning of the major farm electrification program which has placed Saskatchewan well in the forefront in providing rural power service. In addition, this year also marks the 30th anniversary of the original establishment of Saskatchewan Public Power Utilities.

With these historic points in mind, it seems fitting to me that on this occasion I should present some illustration of the growth of our utility in the intervening years, as well as outlining some of our major plans for the coming year, to which reference was made in the Budget Address by the hon. Provincial Treasurer. For this purpose, a brief statistical contrast between our activities only ten years ago and today will provide a fair indication of the rate of growth which our policies have enabled the electrical part of the system to attain. As far as natural gas is concerned, of course, it is not possible to go back ten years, because today's extensive gas system only came into being in the year 1951.

To begin with, I would like to mention some of the electrical gains which the past decade has seen in rural and urban electrification, in transmission lines construction; generating station expansion; over-all integration of the provincial system; the amounts of power generated and the increasing number of centres and customers which are served by the Corporation.

I think there are very few places where the contrast is more marked than in the field of farm electrification. Prior to 1949, as the hon. members know, a total of only around 1,500 farms in the province were receiving central station electrical service. In the first year of the program alone, service was taken to an additional 1,150 farms and, in succeeding years, the number of farms continued to rise – 2,000 in 1950; 3,500 in 1951; 4,000 in 1952; 5,700 in 1953; 5,850 in 1954; 7,700 in 1955; and 7,800 in the year 1956. By that time with almost 40,000 farms being served the peak has been passed, and in 1957, for the first time since the start in the major program, a decrease from the preceding year was recorded. However, the number added in that year was still a very substantial 6,600 farms and also, of course, about 5,800 more were added last year. This brought the total number of farms served up to the present figure of just under 51,000. This is, I would suggest, a long step forward from the mere 1,500 farms which were served just over ten years ago.

Last year also marked the beginning of bringing electrical service to the last remaining previously unserved area in the north-western part of the province. This brought to an end the major area stage of the program, leaving us with what we term a simple filling-in program still to complete. This will be done by what we refer to as operation “Complete Coverage” – the three-year wind-up program which is being kicked off in May, 1959. The plan is to serve about 3,150 farms this year; probably some 2,700 or so in 1960 and then dropping down to about 2,200 in 1961. By that time Central Station power will be available to virtually all of the occupied farms in the province.

I would like to point out here that there seems to be some misunderstanding of what we mean by that. It has been suggested that we have said that some 98 per cent of all farms in the province will be served; but what we have said is that, by that time, power will be available to 98 per cent of the occupied farms in the province.

In the same brief interval of time, the expansion of urban electrification has recorded comparable gains. In 1948 some 375 urban communities were being provided with electrical power from central stations. During 1949 this was increased to about 420 centres, and by the end of 1958 the total number of urban centres being served with electricity by the Corporation had risen to about 865. That is far more than twice the number of centres which were served only ten years ago. Today, in fact, no incorporated town or village in the province is without electrical service, and power has reached many hamlets as well in conjunction with the rural electrification program.

In 1948, the total number of electrical customers we served was just over 51,000, including urban and rural. Today, we have that number of customers in the farm group alone, and our total number of all-electrical customers has passed the 150,000 mark. This is about three times the number which we served in 1948, just before our major expansion program was launched. I think it is rather interesting to note that while the immense farm electrification development is no doubt the most significant achievement, the

March 9, 1959

50,000 farm customers have been matched by some 50,000 new urban customers in the same period of time.

As I have mentioned, reaching this increasing number of customers on farms and in urban centres has meant building many miles of electrical transmission and distribution lines. Back in 1949, we had a total of about 4,600 miles of transmission lines. Today our line mileage exceeds 50,000 miles, making it some ten times greater than it was only ten years ago. This, I suggest, is one of the reasons, as I have said, for the high cost of providing service in the province of Saskatchewan.

In power generation, similar significant increases have also been recorded. The total number of kilowatt hours generated by the system plants, for example, rose from about 165 million in 1948, to over 880 million kilowatt hours in 1958; just about five times as great. Again, as the hon. members know, to achieve this, generating facilities had to be greatly expanded. The system installed capacity, which totalled approximately 76,000 kilowatts in 1949, stood at about 260,000 kilowatts by the middle of 1958. Later in the year, the first unit at the new Queen Elizabeth Power Station in Saskatoon added a further 66,000 kilowatts, and a similar unit is almost ready to begin operating at the new Boundary Dam generating station near the city of Estevan. Thus, these two units alone will make up some 132,000 kilowatts, half as much as the total system capacity early last year. By the end of this year, or very early in the year 1960, a second similar unit at each of these two stations will add a further 132,000 kilowatts to our system capacity. This rate of growth, which I may suggest, is far in excess of the Canadian average, is necessary because Saskatchewan power demand is still doubling about every four years. As I have said in this House before, we do have the highest rate of load growth of any province in the Dominion of Canada at the present time.

Turning to natural gas – as I mentioned a moment ago, these developments have not yet reached their tenth anniversary, but again the rate of growth is no less impressive.

It was in 1951 that the Power Corporation was designated as the agency to establish a provincial natural gas utility, and no construction actually took place until the following year. In spite of this, by the end of 1953, the Corporation had already operating about 150 miles of gas transmission lines, and was serving almost 4,800 customers in seven communities where complete distribution systems were built. That year about 422 million cubic feet of gas were purchased and distributed. By the end of 1958, only five years later, the Corporation had almost 1,700 miles of transmission and distribution lines and was serving almost 50,000 customers in some 50 urban centres, and the natural gas purchased in that year totalled well over 19½ billion cubic feet.

There are, of course, countless other illustration of the expanding measurements of the Saskatchewan Power and Gas utility, but I think those I have given will show that this ten-year-old utility of ours is developing at a very healthy rate indeed. Indications are, of course, as has been pointed out before, that this expansion which we have experienced in the last few years will continue for quite some years to come.

Looking back at the year which has just closed, we find that it has been no exception insofar as the expansion of the Corporation facilities are concerned. Although our Annual Report for the year 1958 has not yet been tabled in the Legislature (it will be in due course) I have had an opportunity along with the Board of Directors to examine the statement, and I find that it was indeed a very good year insofar as the Corporation is concerned. I don't think that I would be out of order, Mr. Speaker, if I made some reference to some of the things which I consider as highlights of last year's operations.

During the year which just closed, the Corporation's total revenue appeared to be recorded as something like \$29,680,000 including natural gas sales to power plants. This total revenue represented an increase of something more than \$6½ million over the figure for the year 1957. Net profit for the year just closed, is indicated at something like \$3,337,000 and that compares with the 1957 profit figure of something like \$1,817,000.

The Corporation's investment in plant in service at cost totalled about \$211,612,000 at the end of 1958, compared to something over \$164 million at the end of 1957. After allowing for depreciation, the book value at the end of December 1958 was something like \$184,956,000 and again that compares with a little better than \$142 million at the end of 1957.

In the electrical field we have completed main transmission projects to reach the stage of interconnecting our northern and southern systems, achieving a long-sought measure of integration of our province-wide facilities. It was noted earlier, work has continued to progress favourably on the major new generating stations at Saskatoon and Boundary Dam.

In our natural gas operation during the past year, we completed extensive transmission pipeline mileage to tie in two major sources of supply, namely, the Hatton-Many Islands field and the gas from the Steelman Gas Corporation processing plant in the Steelman area. Last year, too, we added two more cities, Estevan and Weyburn, to the system as well as a number of smaller communities.

Both electricity and natural gas continued to play an increasingly important part in Saskatchewan's expanding industrial development and the general economic growth, with a number of new industrial customers now being supplied. While the Corporation feels that in doing so it has been of further service to the province, there has recently been some criticism in the daily press which has alleged or implied unduly discriminatory gas rates, particularly those who are large industrial consumers as compared with rates which we apply to municipal or private power plants. I would like to say something further in that regard, but again, because I do want to bring the House some information on what our plans are for 1959, I believe that I will leave that until I have dealt with our proposed program for the year. If time permits, I would then like to go back and say something more about this question of discriminatory rates insofar as power plants are concerned.

So, I would like, as I say, to move over to this question of what we intend to do this year with the little better than \$36½ million which the Provincial Treasurer has indicated will be borrowed on behalf of the Corporation for investment in expansion of our facilities. I point out, Mr. Speaker, that the amount which is being provided to the Corporation this year is considerably less than the amount which was voted for our purposes or obtained for our purposes, a year ago. However, the money which is being provided will permit us to continue expansion of our generating facilities, our transmission lines; it will permit us to carry on a further stage in our farm electrification program, and it will too, provide some money to continue the expansion of our natural gas utility.

In the electrical field, we intend to build a number of additional transmission lines to further implement our system integration and also to increase our security of service, a problem with which we have been faced for the past number of years, by virtue of the fact that our load has developed so rapidly in some areas that it has been practically impossible to keep up with the work required to ensure that adequate service is maintained in all areas of the province.

This will include a total of over 300 miles of line to be operated at 138,000 volts, and about 150 miles for 72,000 volts. Some of these main projects are as follows. There will be 160 miles of 138,000 volt lines from Yorkton to Estevan; this will complete the high voltage link from Saskatoon, which was taken as far as the city of Yorkton last year. Also, 90 miles of the new Estevan-Brandon transmission link, which has already been mentioned here in the House, which will cover Saskatchewan's part of the line from Estevan to the Manitoba border, will be constructed. As has already been announced, too, this line will be operated initially at 138,000 volts, but it will be readily adaptable to 230,000 volts when the future loads warrant that increase. When completed it is interesting to note that this will enable integration of power sources from the Head of the Lakes as far west as Saskatchewan's western border. Sixty miles of 138,000 volts line will be built to Chaplin, and this also will be built as a further step in interconnection. In extending our 72,000 volt line, the Corporation this year will build some 60 miles from Hawarden to Rosetown, and 30 miles from Assiniboia to LaFleche; 30 miles from Chaplin to Central Butte, and 30 miles from Yorkton to Canora and Kamsack to serve that area. As indicated earlier, further major generating facilities will be completed at Saskatoon and Boundary Dam, and a substantial number of additional farms will be served in the first year of our wind-up program. Also, of course, I must not overlook the fact that further work will be undertaken (exploratory work generally) on the Squaw Rapids project in north-eastern Saskatchewan, which will, we hope, be Saskatchewan's first hydro development.

In the natural gas picture this year, we intend to build several major transmission lines including one from Success up to Rosetown, which will then unite, or tie together, the present north and south segments of our system into a single province-wide grid. This line is necessitated because we find our load in the northern part of the province developing at

such a rate that we can no longer depend on the production or deliverability of the field which have been serving in the north in the past. We will be tying the two systems together in order to ensure continuity of service in the northern part of our system.

We will also be building a line from Regina around the south end of the Qu'Appelle Lakes going up to Melville and Yorkton. This is the line which my hon. friend from Melville (Mr. Gardiner) was kidding me about, the other day, suggesting in a rather sneering fashion that the Corporation could not be too efficient when they had already decided that we were going to take gas to Yorkton, but apparently didn't know how we were going to get it there, because I had advised him that we had not, at the time he asked the question, come to any firm decision as to which route that line would go. I have no doubt that the hon. member, if he had anything to do with the Corporation, would not worry about the economics or the sound engineering of the line, but would simply bull his way across the country, go on up there and take chances on it being a complete flop when he got there.

We did have a peculiar problem insofar as that line is concerned, because there are actually two routes which we could take. We could either take the route which I have proposed today, or we could have cut off from the Trans-Canada line farther east, run straight north up to Yarbo and Esterhazy serving the Potash development there, on up past Melville and into Yorkton, running off Melville with a lateral line and then leaving this end of the loop until some future time. It was a problem which took us considerable amount of time to find an answer to, because we had to thoroughly examine the economics and the engineering of the two alternate routes. We finally came to the conclusion, just a day or two ago, that it would be in the best interest of the Corporation and of the people if this line were to go from Regina, where we can provide our own gas from our own sources, up past Melville and on into the city of Yorkton. That is the way the line will be going.

I will point out that, when we get gas into Yorkton this year, that will mark the end of the job insofar as cities are concerned, because Yorkton is the only city that has not gas service at the present time. In addition to that, distribution systems will be built this year to a number of other towns and villages along our pipeline route. I should have mentioned the fact, too – I almost forgot it – that is probably why Mr. Willis is burning right now. We also will be building a transmission line east from the town of St. Louis across to the towns of Melfort and Tisdale. I might point out here that my very good friend, Henry Begrand, the member for Kinistino, who has just passed away, has been after us to build this line for a great number of years. It is a matter of extreme regret to me that Mr. Begrand will not be here to hear the actual announcement of the construction of this line. So then, with that line being built too, the towns of Melfort, Tisdale, Star City and Kinistino in the north-east part of the province, will be provided with distribution systems in 1959. Also, in the north-western part of the province, the town or village (I suppose it is) of Canda will also be served.

Moving back again, the communities of Dana and Hoey, which lie south of the city of Prince Albert, will also be added to the system this year. Moving down into the south-east part of the province, Yellow Grass and Milestone along the Soo line will be provided with service, and also, I am happy to say, we will be able to take service to the town of Bienfait down in the Estevan area. I might suggest here that I probably got the hon. member for Estevan (Mr. Thorson) in a bit of difficulty over that one, because I assured him, not so terribly long ago, that it looked as if we just weren't going to have money to put that system in, and right after I had advised him that, I think he passed the information along to his constituency. Then the gas people in the Corporation advised me that they thought they could find enough money to complete the system, so we have included it this year. I am awful happy that we are, because it will mean simply that the hon. member for Estevan will probably leave me in peace and contentment for a while at least, and will lay off pressing me to provide service to that community.

Then toward the central part of the province we will be adding the towns of Caron, Caronport, Ernfold and Rush Lake. These are ones which the member for Morse (Mr. Gibson) has been hounding me about for quite a while, and I am happy for his sake, and also my own I might say, that we have found it possible to include them in our system this year.

Then again, moving farther out west, the village of Burstall, which is the site of a Trans-Canada Pipeline station, will also be served by the Corporation this year, and I am sure that the hon. Leader of the Opposition will be happy to know that this year, too, we will commence taking service to the towns east of Regina by providing service to the town of Moosomin. This will be done by a tap-off from the Trans-Canada pipeline.

Mr. McDonald (Leader of the Opposition): – I wondered when you were coming to that.

Hon. Mr. Brown: – I'll probably need some protection for that one, Mr. McDonald.

Mr. McDonald: – Where is it?

Hon. Mr. Brown: – I'd like to say, Mr. Speaker, that I am going to try to hurry this up, but I have something else that I would like to say. That is you probably have noticed that I have made no reference to service for the town of Melville this year, and I want to point out or mention that I have promised the people in Melville that I would make some statement with regard to service to their community sometime during my talk today.

I met with a delegation from Melville, last Wednesday. It was one of many meetings, I might suggest, which I have had with them, and I promised them at that time that I would have something to say to them today. I would like to point out that Melville presents a peculiar problem insofar as the provision of service is concerned, a problem which we have been working on for some considerable time. To refresh your memory – back in 1952, a private company applied for and received a franchise to serve the town of Melville with a propane air system. I think it was understood at that time the rates which would apply in that town would be reasonable, and it was also anticipated that,

at its saturation point, some 1,000 customers might be served.

At that time, in order to safeguard the interests of the people of the Melville community, an option to purchase the system was taken by the Corporation. This option set out the manner in which a price for the system would be arrived at, and I want to say here, that it was just that – an option to purchase. It contained no binding commitment insofar as the Corporation is concerned. I would point out too that, while the Corporation did not oppose the franchise, it did suggest at the time that the project would in all likelihood be a losing proposition.

Over the years the fears expressed then have proven correct. Far from expanding the system to the thousand customers which were visualized, only a very small number have bothered to take service. That, I would suggest is because of the fact that rather high prices were levied in the community. For an example of these, I would point out that, in Melville at the present time with the propane air system, the people are asked to pay for the first 1 MCF, the price of \$3.70, for the next 3 MCF they are asked to pay \$2 per MCF, and for everything over 4 MCF the price they are called upon to pay is \$1.90. As a result the system has not been fully expanded or developed, and the company has accumulated a rather healthy deficit over the years. Personally, I think they have simply been hanging on in the hopes that the Corporation would bail them out of the difficulty which they find themselves in either by buying them out at the formula price or by selling natural gas to them and giving them an opportunity to recoup their losses through that means.

I would like to say here, that the suggestion that we sell natural gas to the company in order that they may attempt to recoup their losses doesn't add up. As a matter of fact, we are satisfied that it would not get them out of the trouble that they are in at the present time, because the price of gas which they would be expected to pay would in all likelihood be Trans-Canada Gasline rates, and when you add to that the share of the costs of building and operating the transmission line from Regina to Melville, which the Melville load should carry, we find that the end price would be such to the company that it would be difficult or impossible to serve Melville town at rates comparable to the Saskatchewan Power Corporation rates, and still make money. So that is, I suggest, not an answer to the problem. Therefore, there is only the other proposal, and that is that the Corporation buy this system.

We have examined this situation very carefully, and we have come to the conclusion that the value, or the price which they want for the system is far beyond the value of the Corporation. In other words, they only have a very small part of their facilities which are of any use to us at the present time. It would be much cheaper for us to build a completely new system in the town than to buy, at the prices they request, the system which is already established in that community. If we exercise the option which we hold, and did buy the system at the formula price, what we would be doing, in effect, would be throwing away something better than \$100,000 of public funds. That we do not feel we have any right to do. We don't feel that that could be justified on any ground, because, as I say, we feel that we have no obligation or responsibility for bailing them out of difficulties which they got themselves in. A private company which has not, as I have pointed out, provided the kind

of service which the people of Melville could expect.

I want to say, Mr. Speaker, as I have mentioned that we have had many meetings with these people of Melville, or at least we have had meetings with their Town Council and their Chamber of Commerce, and I think it is safe to say that the officials of Melville are fully aware of our problem and fully behind us in our thinking. However, they are, of course, very anxious to obtain natural gas service and we feel that we have no right to deny them that service in the year 1959. Well the, what are we prepared to do? We are prepared to do this. We are prepared to offer (and we have offered) to purchase at a fair price that part of the facilities of the company which would be of any use to the Corporation, or we would also buy the other facilities which are of no use to us, keeping in mind that much of this other equipment could be of only salvage value to the Corporation. On that basis which we consider reasonable and fair, we would be able to serve the town of Melville at a figure comparable to providing our own whole new distribution system. As I say, in this we feel fully justified, because we have indications of support of the people by way of a 1,000-name petition which has been presented to me and by the wording of a resolution from the Town Council which has also been presented to me. So the, here is what we intend to do.

We intend to continue to press negotiations with the company in the hopes of reaching some sort of a reasonable agreement for the purchase of the system which is already in existence. Failing a satisfactory agreement we shall proceed to provide service to the people of Melville under the authority provided in The Saskatchewan Power Corporation Act. I want to say here that the people of Melville have our assurance that, come what may, they will be receiving natural gas in the year 1959.

Now, Mr. Speaker, before I take my seat, I want to say this. There is probably a very strong likelihood that we will receive some criticism because we are adopting what might be considered a rather tough attitude towards the company. I have no doubt that, for example, my hon. friend the member for Melville, who has said that he wants to see natural gas taken to Melville this year, will in all likelihood take the opportunity of accusing us of just that – adopting a tough attitude towards the company which is serving Melville at the present time. My own position is that I would much rather be criticized for adopting what some people might term a tough attitude towards a private company which got itself into a jack-pot, than I would be criticized for throwing away \$100,000 or more of public funds. That is what we intend to do insofar as the service to the town of Melville is concerned.

Mr. Speaker, there are many other things which I would have liked to have dealt with today. I mentioned at the outset I would have liked to have some time to say something about this matter of discrimination insofar as gas rates in municipal and private power plants are concerned. Time just won't permit, so I am just simply going to say, as I have in the past, that I think the Provincial Treasurer, as he has done for so many years, brought before this House and before the people of this province a budget which is hard to improve on, a budget which provides assistance for our people in so many fields. I, of course, am particularly pleased because, as indicated in that budget, the Power Corporation will be provided with a substantial amount of money once again

in order to carry on the work which started some ten years ago; and because I do feel that it is a very, very good budget, one which will receive a lot of support from the people of this province, it is my intention to support that budget.

Mr. L. N. Nicholson (Nipawin): – Mr. Speaker, I would like to congratulate all of those who have spoken before me in both debates. In some instances I know we have gained by those addresses and in some cases, I think we have not gained anything.

At this time I want to say just a word about the loss that we have just been notified of in this Legislature, in the passing of our friend, Henry Begrand. I wish to offer condolences to the bereaved members of his family because regardless of political thought or political affiliation, we found a lot of fellowship in the man that we will, from now on, have to get along without.

Before starting on my speech for the afternoon, I would like to ask the hon. Minister who just took his seat a question. He got as far as Tisdale with the gas. I am interested in 1960 and gas to Nipawin: is that the program, Mr. Minister?

Hon. Mr. Brown: – The hon. member's question is about a year early.

Mr. Nicholson: – Mr. Speaker, I am going to start with the topic of education. It is one of the most important problems that I think we have today, and the Speech from the Throne did indicate that there was going to be more assistance for education with reference to the capital cost program. That, I am very pleased to hear, but it has not gone nearly far enough. In the north country we are paying more school tax on many quarter-sections of land in the Nipawin-Aylesham area than the total taxes amount to give miles any direction from Regina. In other words, it takes roughly two bushels to the acre of wheat to pay the school tax alone in the Nipawin-Aylesham area, and one bushel per acre of wheat will more than pay the total taxes on land five miles from Regina. I think that until some sort of a foundation program is brought into effect, we cannot claim to have a fair distribution of the costs of education, and if for no other reason I am going to say here and now, that I could not support the budget if that was the only thing that I could find in it that I didn't like.

We educate a child first as a citizen of Saskatchewan, and second, as a Canadian citizen. Unfortunately, in the past number of years, our youths have grown up, received their education and invariably have gone to other provinces, particularly to the two western provinces, and in many cases they are accepting employment with those "terrible" people, Imperial Oil, or some large oil company.

I think that, if we had had the same progressive type of Government over the period of years as that of the western provinces, our children would have been here working at high wages for possible the same people.

March 9, 1959

Now we can talk about the costs of education. It is possibly not the responsibility of the people in southern Saskatchewan to pay for educating the kiddies in the north, but, by the same token, the Government of this province have taken a large amount of money through the exploitation of the timber industry, and they have spent that money throughout the province as a whole. I think (and I don't think that I am wrong) that, as long as the costs of education are so unequal, a portion of that money taken in timber resources should be earmarked for relieving the cost of education in that area. I believe that in the Nipawin area we have the second largest number of children transported to school by bus; and I believe we are the second highest assessed school unit in the province.

I want to say a word about Co-ops. Our Government has sponsored and fostered co-ops to a very great extent, and I am not criticizing that effort. We had co-ops in this province before this Government took office, and, surprisingly, co-ops are doing quite well in other provinces. WE have now before this House a program which will enable the Government to turn over the northern fishing industry to co-operatives. That certainly should help the people of the north to become much more independent.

I don't know whether the Government are aware or not (I know one Minister of the Crown is) that we have one little co-op. sawmill that have definitely been discriminated against. This group of men had the opportunity of purchasing the mill known as the 'Swede's Mill' at Loves' Siding. They were verbally promised a cut of timber for ten years if they purchased this mill. They formed their co-operative, purchased the mill, and I believe, they did get nine years of a cut. Two years ago it was brought to my attention that this mill was without timber. I did not use it as a political weapon. I went to one of the key C.C.F. men in the town of Nipawin, told him that "these boys have been cut off timber; see what you can do". He 'phoned the Timber Board at Prince Albert, and I think he also 'phoned the Minister in charge, and the best they could give them was 500,000 feet, if they would move into the Carrot River area. Now, Mr. Speaker, this is not a little portable mill. It is quite a large affair, in fact. I think it is capable of about 40,000 feet per day on a 24-hour basis. It would take the profit from one million feet of lumber to pay them to move and set up camps in the Carrot River area.

I came to Regina to see the hon. Minister of Natural Resources. We discussed this at some length, and he said: "I'll phone Prince Albert and see what we can do." Later that afternoon, I again got in touch with the Minister, and he said, "I think we are going to get them a couple of million feet – a two-year cut at a million feet per year, for two years, if they move to the Carrot River area."

I was very pleased. I went back and I told the boys that I expected they would get their cut by moving to Carrot River. However, at a million feet for two years, the first million would be absorbed in the move. But, some two or three weeks later, they informed me that Mr. Kalmakoff, the manager of the Timber Board in Prince Albert, had stuck to his guns, and they would receive only 500,000 feet and no more.

Now, Mr. Speaker, this is a bona fide co-op. It is a group of men who are trying to keep ahead of the hounds. They are living, most of them, on not too good a type of land, and surely they should not be the first mill to be cut off timber in that area. Anyway, the last time I was talking to the Minister that year, I told him the big problem with this is that these boys did not know until late November or December that they were not going to get timber. So the Minister promised me that he would let them know in good time the next year. I asked him: "What do you call good time?" and he said "September".

Last September, I was in Regina on business. I came down to see the Minister and he was out of town, but anyway, it was followed through and he did notify these people they could have a million and a half feet of fire kill if they would move to the Pelly area. They went down and checked the timber. It was scattered timber that was firekilled, and they said they doubted if they could break even, if they had no cost of moving. So, in a very nice way, they have been side-stepped once again.

Now, I hate to say this, but it looks to me as though the Minister has no control over the Timber Board. It appears to me that Mr. Kalmakoff, in Prince Albert, runs the Timber Board and takes orders from no man, and I am going to tell you one reason why I think this is true.

Two men were trying to deal with him in Prince Albert, and apparently he said, "Well, you are pretty tough, we will go see the Minister". He is supposed to have said, "Well, go see the Minister if you like, but what I say is final." Now, there is one man who is responsible to the people and that is the Minister in charge, and I am sincerely asking him that he give consideration to this group of people on an equal basis with other mill men, and there are a number operating. That is a point that is definitely a sore spot in my area, and I think rightfully so.

Mr. Speaker, I want to discuss highways, and I am going to go back and really hash some old stuff. In 1948, I was a candidate in my constituency. Previous to the election in 1948, the Minister of Municipal Affairs, at a campaign meeting (and I attended that meeting) said, "Elect the C.C.F. and we will build the Flin Flon highway with or without Federal support." Now, I am not deaf, and it can be confirmed by many people that that statement was made by a responsible Minister of this Cabinet, and I am convinced that that promise elected the C.C.F. candidate. If he had said, "Elect the C.C.F. Government and we will not build the Flin Flon highway and we will build no highway for a ten-year period", this would have been the truth. It was just ten years later before the constituency of Nipawin got any highway construction.

At this time I want to thank the hon. Minister of Highways for the consideration he gave our constituency, last year, which was the tenth year, and also in his program the other day, he suggested that another coat of oil was going to be made. He also mentioned the necessary road construction to the proposed dam and for these things I am grateful and I want to thank him very much.

I want to follow through a little bit with reference to the road to the dam. The hon. Minister did not say where that road would be built from, nor what type of a road. I don't suppose that his Department as of this date even knows, but we in our country are very interested naturally. It is desired that the road to the dam be built in a location to serve both Carrot River and Nipawin, as Carrot River is entitled to a fair share of the revenue which can be derived from the building of this dam, and the town of Nipawin, naturally, is a more central location as far as hospital is concerned. However, we are all vitally interested and sincerely welcome the announcement the Minister made, on Friday, with reference to a road to that dam site.

We have one more thing that has not been mentioned, and that is the iron ore deposit which is west of Nipawin and south of Choiceland. We have there outlined now a body of ore 2,500 feet wide and 4,000 feet long, and at least 1,000 feet deep. One hole has been drilled 1,101 feet in that ore body and they have not hit bottom. That is enough ore to mine 10,000 tons a day for over 100 years. The iron mine, which I am positive in my own mind will be developed, is going to demand some consideration by our Government. We are going to need a few miles of good roads to give access to the town of Nipawin, where the hospital is, and also the town of Choiceland, which is even five or six miles closer than Nipawin.

With reference to the towns of Choiceland, and Carrot River, these two towns today are investigating the cost of sewer and water. They are doing this for a purpose, and that is, they want to share in the benefits that might be derived in the building of the dam and the establishment of the mine. I feel that, in consideration of these towns, when a road program is decided upon they should have a fair chance to receive some of the benefits to be derived from those properties.

In going back to the iron ore deposit, Mr. Speaker, the assays to date average from 36 to 52 per cent magnetite, with very few impurities that are detrimental in the mining business. I don't know whether this road would come under Mineral Resources, Natural Resources or Highways but I think we must be prepared to spend some money this summer getting roads into the mining country. I don't think it would amount to over 32 or 33 miles of road to connect both Choiceland and Nipawin.

Mr. Berezowsky (Cumberland): – Mr. Speaker, might I ask the hon. member: Do you consider that 35 per cent magnetite is considered as commercial ore?

Mr. Nicholson: – Well, I am glad you asked that question. It is not considered as commercial ore. It is considered as the richest deposit of iron ore ever known on the face of God's earth and that takes in a lot of territory. The people concerned are not worrying about whether it will be of commercial value. It is liable to be so big that we little fellows can't get in on some of the stock; that is what is worrying me. Don't worry about the thing being a failure.

Now, Mr. Speaker, the sorest spot of all, in my area, is something that I must bring up right now. We had a group of men put on a uniform in the defence of freedom. These men came back from overseas, and the great majority of them who wanted to farm were placed on cultivated land through a Federal V.L.A. deal. While they were placed on that land, another small group of veterans just as good and just as capable and just as qualified, were placed on the so-called Co-op farms – they have been nick-named the ‘Joe Stalin farms’ for many years. They were placed out there to try to make an undeveloped country worth something. That has been achieved. It is a very good country today.

These men are entitled to the same break that any other veteran who went on farm land is entitled to, and I have tried to discuss this with the Minister of Agriculture and he and I just can’t see eye to eye. I received a letter from one of these veterans and I asked some questions on the floor of the House pertaining to this lease. I was trying to figure out some sort of an arrangement that might be fair, when I walked three fellows from Smoky Burns – that is almost 300 miles from Regina. Some of the men on these poor Crown leases may fail, but most of them have an earnest desire to own their homes, and have that security for their wives and families. I have drafted a plan, that might serve as a guide when we consider a solution to this problem. Out of the 75,103 men who came back and were located on Federal cultivated land, almost 17 per cent or 12,777, now own their land in that ten-year period. While these boys have been paying for their land in good years and at good prices, this group of men have been wallowing in the mud and the rock trying to make something out of what they had to start with. As far as I am concerned, if you put eight strange men on four sections of land, as a co-op farm, it cannot possibly work. A lot of money was foolishly spent by the Government, and I don’t think that we can even hope to charge all of that money back to these individual leaseholders – which they are today.

I drafted a plan which I will table if it is of any value, as some sort of a final solution. I know that we must have a solution some day in the near future, or we are going to lose those people, and they have lost ten or eleven years of real hard work, and it is not right in any man’s stretch of imagination. For the sake of argument, I am placing the value of this land in the raw state at \$500 per quarter-section. I have asked questions concerning one particular lease, so I am going to use this V.L.A. lease (V.L. 1880) as my guide. This land consists of 405 acres of which 35 acres are solid rock; 70 acres are arable stony land; 80 acres of river bottom and river bank, and the balance is good arable land and it has 325 acres of cultivation. I have placed that land in its raw state at \$1,250. The total received by the veteran in a ten-year period is this. (These figures are all from the Government):

Cost of breaking the first 100 acres	\$800.00
Paid by the Government for clearing and breaking	3,660.61
Government share retained by veteran for clearing and breaking	1,132.39
Charge for roads and drainage	—

And this is the part that is beyond all reason, \$15 per acre for the entire Smoky Burn area. These boys are \$5,000 further in debt than they had any notion

or believed they were. This makes a grand total of \$12,093 that has been extended on behalf of the Government. All right, the value of the land is \$1,250, that is money the Government has never spent. The Government's share of the crop retained by the veteran is \$1,320 which is also money they did not spend. The veteran has repaid \$943 and, by the way, he tells me he has vouchers to show that it is over \$1,100; but I am taking the Government's figures – so that is money that has been returned. So of this \$12,093, some \$3,325 has never been spent by the Government; but we will still say the value is there, that they spent \$12,093.

Now I am going to go to the other side of the picture and see if I can get the members of the Government to agree with me on a solution to this problem. This gentleman used \$1,132 of the Government's money that he was allowed to retain in lieu of clearing and breaking. That was one-seventh of the crop. So, in the years that he was using the money, he must have had six times that amount for his own use, and that amounts to \$6,694. He also had six times the \$943 which was the amount he has paid back. That amounts to \$5,658. Thus his total income over the ten-year period has been \$12,335. Now \$12,335 divided into ten years is \$1,233 a year, and that has been his total annual income. We all know that that man could not live on \$1,235 a year. We know he could not finance on \$1,235 a year; but, for argument's sake, I am saying that half of that \$1,235 per year is profit. So expenses incurred over a ten-year period, based on 50 per cent of gross income, amount to \$6,176; so in lieu of wages for ten years of work, he has received \$6,176. The total earnings of this man at the minimum wage of \$130 a month for ten years is \$15,600 and no one can tell me that he is not entitled to wages, for the simple reason this land was (and still is) Crown land. The reason I make that statement is that I have just recently been notified of two men who lived for 10 years out there, now live in Saskatoon, who have both sent in their 10 per cent cash; and it has been refused. They were told, "You are not living on the land, so you will have to pay all cash, or you have nothing; we cannot accept the deal."

That proves beyond a fraction of a doubt that those men should have drawn wages if they have no hope today. They haven't a thing to call their own, or any security, as long as some stuffed shirts control them. These boys came in from Smoky Burn the other day, and they talked to a man, I believe by the name of Thompson, who said to them: "You can't make a square plug fit a round hole; sure, well take you leases. If you want to sign them off, we'll take them now". This man is sitting here in a soft chair. That's a lot different. I would like the hon. Minister of Agriculture (Hon. Mr. Nollet) to go out there, and put himself in one of these boys' shoes – anyone of them – and I believe he would see a different light on this thing. I want to follow this thing though quickly, as I see my radio time is about over.

His wages would have been, at \$130 a month – \$15,600, using as partial payment for wages, half of his total earnings each year would be \$6,176; in other words, he would have an unpaid wage of \$9,423. The total amount paid by the Government to develop the land, \$12,093 less the total amount earned by the veteran in developing the land, \$9,423, leaves a balance

of \$2,669. This balance is the amount which should be outstanding against this land, if the veteran wishes to purchase. Today the Government is asking this man \$8,820 for ten years of service.

Mr. Speaker, if this draft is of any value to the Government, I would be glad to table it; they are welcome to it. I would like to work with the Government and the Legion people and these men, and see if we cannot come to some sort of an answer that is reasonably fair, giving them the same result as the man who came back and went on improved land. I don't know why he isn't entitled to the same – no better, no worse. Under a plan similar to this, the odd one, I think, would own his land today. Others would owe \$2,000 or \$3,000 or \$4,000.

We must do something about this. I was going to invite the hon. Minister of Agriculture to run in the Nipawin constituency, if he could not see fit to do something for these fellows, and I would guarantee that we would have a new Minister of Agriculture after the next election, regardless of who won the election.

In the speech of the Hon. Minister of Highways the other day, he mentioned the tough time they had had in the northern part of the province because of the early snow. That early now meant an awful lot of grain left lying in the field, for I had some myself, for as long as 65 days. Now, we talk about the cost-price squeeze, and what the Provincial Government can do about it. During this time of not knowing whether they were going to retrieve their crops or not (and most of them eventually did – No. 5 damp and 75 cents per bushel) the Government saw fit to have a couple of the “Gestapo” – their highway patrol men – park just north of Carrot River, and pinch 16 of these poor devils for purple gasoline. I was at a farm this one afternoon when a neighbour drove in, and he said, “Gosh, they're down there really taking the boys today”. They had no money. If they were burning purple gasoline – people don't burn that stuff for fun; it doesn't work as well in your automobile; as I said, this man drove into the yard and said, “By golly, now they're down there on the highway north of Carrot River really taking them:.. My first thought was to get into my car and go down there and ask these fellows, “For Goodness sakes, get out where you at least might find some crops harvested”. The cost-price squeeze was bad enough without them standing there taking them for the odd bit of purple gasoline.

I was in hopes, also that this Government could have seen fit to do away with the highway tax on farm gasoline and farmers' trucks. Anyway, 16 fellows, I understand, were pinched. I wanted to bring this up. I think the hon. Provincial Treasurer would be interested in knowing that those boys were costing us money: two men's wages, car expenses, the whole thing sitting on the road to catch a bunch of fellows who I don't think wanted to be law-breakers. They were hard up. One fellow borrowed the gas from his neighbour so he could go into town and buy groceries, and got pinched. I would like to see some serious consideration given to the cost-price squeeze where it squeezes the worst, and that is in the fringe areas of this province.

March 9, 1959

I want to mention just a work about disability pensions, Mr. Speaker. I did not know until last fall that a total disability pension does not include the hospital card, and I would ask the Minister in charge to give that very serious consideration, because if you are totally disabled, you have no earning power.

I want to offer a suggestion to the Government, and it is with reference to hospitalization. Our hospital plan cannot keep up with the needs. We have in Nipawin a hospital which is always overcrowded. A year ago last Christmas, it was full and running over, but they served Christmas dinner to 15 people; the rest got up and went home for Christmas. Last year they served Christmas dinner to 29 people; the rest got up and went home. What actually is happening is that a lot of our old people who need care, but not hospitalization, are in those hospitals. AS a suggestion to the Government I thought we would be money ahead, and serve far better, if we established nursing homes in or near our hospitals: not too elaborate, but something nice and cosy, where we could maybe use the same caretaker, same furnaceman, the same laundry facilities, and place these people in nursing homes rather than hospitals. I think it would be an advantage to all concerned, and not so expensive,

Last fall I was one of the lucky boys invited to make a trip north, and in making that trip we stopped first at Cumberland House. Here we ran into this situation. Outside of a winter road when they are logging in that area, they have to do all of their purchasing from The Pas, Manitoba. Now when the dam is built at Squaw Rapids, 55 miles of development road and a ferry across the river will give those people access to the north-east part of Saskatchewan the year around. It is very important, because there are between 2,000 and 3,000 people in that area, and I think that that road (I was glad to hear the member for Cumberland (Mr. Berezowsky) speak about the needs of the north) is one thing which is sadly needed. So, if the hon. member for Cumberland will stick with me, maybe we can supply the needs of these people.

During the trip north there were two things that impressed me very greatly. On one side of our province we have the mining town of Flin Flon, and just north of it is Lynn Lake. It is just over in Manitoba, but it is basically in that area. Then we have almost the entire breadth of this province with nothing whatever being done. I think the cost of the trip, last fall, actually amounts to nothing, if we could consider that if, through publicity, and taking interested people into the northland, if we only hit one mine comparable to Flin Flon in years to come in all that vast territory, the Government would be repaid so many times that it would not even be a consideration.

I want to congratulate the Government for that trip north. I think the Hon. Mr. Brown was responsible and I would also like to congratulate the executive editor of the 'Western Producer', Mr. 'Rusty' McDonald, as he gave us between three and a half and four pages in that paper. If anyone followed that, it was a tremendous job he did, and I think the man should be congratulated for his effort. I asked him what that space would cost if we were charged for it, and he said you cannot buy it for \$1,000 a page. I think that was a wonderful step, and I would like to see it continued.

The other thing that I noticed particularly on our trip north was the terrible state of our native people. We heard in La Ronge a very fine speech made by the principal of the school, and I think perhaps all members have had a copy – I know I got one. But this man spoke on the needs of the Indians. He also said that he did not think that we could integrate them into our society. I listened to this speech, and at the same time I was sitting beside Rev. Mr. Cuthand, who was a full-blooded Indian and an Anglican Minister, and he said: “We can beat this thing in years to come, if we could get 70 cents a day to build dormitories (he knows of two settlements now) for seven days a week, we could keep some of our children at home who now go north with their folks trapping; they won’t leave them. There are older women among the natives who would stay at home and look after the kiddies. If we could get them even a Grade VIII education, then set up a technical school possible at Lac La Ronge, where they could all get to it. I don’t think we can gain a thing from this generation of natives, but the next generation I believe, we could gain a lot.”

I spoke to every white man I could talk to on that trip north, and I found all but two who were anxious to get out. If we can keep these younger people of today, through an education program, teach them to make reports and so on, and then teach them our fish and surveying industry, the timber industry, and all things pertaining to the north, we might be able to educate these young Indians of today to take the responsible jobs in the north area in the future. The white man doesn’t like it up there anyway, but it is the Indians’s home. If we could ever work out a scheme like that, it wouldn’t be very expensive.

Hon. W. S. Lloyd (Minister of Education): – Mr. Speaker, before turning to some remarks with regard to what the Budget means for the Department of Education, I want to have, first of all, reference to some of the statements made by some of the members of the Opposition.

When he was speaking in the debate, the member for Melville (Mr. Gardiner) referred to the 1927 Budget Speech and the 1925-26 pattern of spending of the budget of that day as rather a model pattern for spending by a model government. That being the case I thought it would be worthwhile to go back and take a look at these documents and see what they did mean. The members of the Legislature will probably recall that he pointed out that the Government of that day was spending some 36 per cent of its substance on education. Well, I looked, first of all, at the Estimates of 1925-26 and the best that I could make out of those Estimates was that the Government was proposing to spend something like 25 or 26 per cent of the revenues for education. That is a long way from 36 per cent. Then, because there is always the possibility of overspending in a year I looked at the Public Accounts for the year 1925-26, and I found there that the Government actually spend something over \$13 million of which approximately \$3,800,000 was for education, and this works out to 28 per cent, not 36 per cent. I thought that perhaps the key might be in the Budget Speech presented by the Provincial Treasurer of that day, and sure enough, there I found it. I would like to read one or two paragraphs from that document, Mr. Speaker. In part it says this:

March 9, 1959

“Education is costing the people of this province approximately \$14,725,000 a year; \$10¾ million is being provided by tax levies in the cities, towns and villages and rural municipalities and L.I.D.’s while, including interest on the investment in Normal Schools and University buildings, the Provincial Government is spending about \$4 million.”

Well, that is one of the ways that they got the expenditure on education up; but the illuminating paragraph was the next one, and it goes like this:

“When we eliminate certain interest charges, and commissions from current expenditures for 1925-26, the expenditure for education amounts to 36 per cent of the total expenditure for the province.”

So that is the way it was done in 1925-26. You took the ordinary expenditures for education, and you added “X” dollars to that, and when you took the total expenditures for the Province and you subtracted “Y” dollars from that; and then you had education costs plus “X” over total expenditures minus “Y” times 100, and then you got 36 per cent. That was the procedure.

I found, too, the next paragraph rather interesting. It said this:

“The Public Revenue tax levied last year was approximately \$2 million, and the school grants paid to elementary schools were approximately the same.”

The Provincial Treasurer added:

“If we are serving no other purpose than to take into the treasury \$2 million levied and collected by the same authority who levies and collects the school tax for the school board and then redistribute it among the School Boards, the sooner we discontinue the practice the better.”

That was in 1927, and in 1944 they were still practising it in spite of the warning: “the sooner we discontinue the practice the better.”

I will turn now to some of the remarks made by the Official critic, (Mr. Cameron) when he was discussing education and educational finances within the province of Saskatchewan. You will recall, Mr. Speaker, that he had reference to the rural municipality of Sherwood which surrounds the city of Regina, and the rural municipality of Fox Valley. He said that the rural municipality of Sherwood was five and a half times as wealthy as Fox Valley. Well, if one takes the total assessment in the two municipalities (land and improvements, pipelines and so on) that statement is approximately correct. But I submit

that it is foolish to compare the gross assessment of two areas without some consideration of the load and the responsibilities of services for which that assessment has to provide. It is something like comparing the cities of Regina and Moose Jaw on a gross basis.

For example, I think it is worth noting that while Sherwood has a much larger assessment, it also has a much larger total population – a population of over 1,400 people as compared to less than 900 in Fox Valley. In other words, it has one and a half times the population. It is worth noting, I think, that the average assessment per acre in the Sherwood municipality is some three times the average assessment of the Fox Valley municipality. So, while it is true there is a decided difference in the ability to pay of the two municipalities, it is not the difference suggested by just comparing the gross assessments of the two. The relationship is probably closer to three to one than to five and a half to one, as mentioned by the hon. member. Then he went on to say this:

“The ratepayers in Sherwood pay \$17 per \$1,000 of assessment and in Fox Valley it is \$59 per \$1,000 of assessment.”

Again I suggest that it is fallacious to argue that this represents a real difference in the load in the two areas without considering the services which are purchased with the tax dollar in one area, but are left to the individual to purchase out of other money in the other area. For example, if you consider Schedule 54 of the Department of Municipal Affairs report on expenditures, it shows that in Fox Valley, in the particular year of 1957 about which he was talking, that municipality spent over \$15,000 on health services, whereas in the Sherwood municipality in the same year they spent less than \$5,000 on health services. This works out to an expenditure of some \$18 per capita in Fox Valley as against nothing in the Sherwood area. The point I want to make, Mr. Speaker, is that the Fox Valley area is included in the Health Region of Swift Current; they pay in part – not in total, admittedly, but in part – for the services provided by this Health Region in a levy on their land; and they get services as a result of this which the people in the Sherwood municipality have to dig down in their pockets and pay in addition to their taxes.

Even more important is it to consider these differences in services when you start talking about the situation in education. The Fox Valley area happens to be in a School Unit, which, generally, is paying for high school services through the taxes which are paid. Many of the youngsters are provided with bus service to a high school. Sherwood is not in a Unit, and the responsibility for high schools is generally that of the individual parents rather than of the School Board or the School District as such.

Let us just take this one small item then, Mr. Speaker. The youngster from a rural home in Fox Valley going to a high school, would not have to pay a fee, but the youngster living in a district in the Sherwood municipality, attending high school in the city of Regina, would be assessed, this year,

March 9, 1959

a fee if sine \$150 which his parents would pay, which would not have been paid for by taxation. On an assessment of \$10,000 that \$150 a year is comparable to 15 mills of taxation; and in many cases there will be board and room or transportation costs to be assumed by parents which, in the Fox Valley area, would have been provided to the people through taxation. So I suggest it is completely fallacious and incorrect to compare . . .

Mr. Cameron: – They certainly don't pay board and room in Fox Valley.

Hon. Mr. Lloyd: – No.

Mr. Cameron: – Well, then, let's be fair about it.

Hon. Mr. Lloyd: – Mr. Speaker, I prefaced my remarks by saying that a great many of these youngsters had bus transportation which took them right to the door of the high school and did not have to pay any fees once they get there. The difference is that most of the Sherwood youngsters, if they are going to get to high school, have to find their own way to the high school, pay board and room or their parents pay transportation costs, and pay the fee on top of it out of their own pockets, rather than it coming out of the taxation assessed in the area. So it is completely fallacious, I suggest, to make comparisons like this without considering what the taxes give in one case and what the people have to buy in addition to taxes in the other case.

Then he had this to say:

“For every farm in Sherwood, the farmer is asked to put up \$17; the farmer in Fox Valley, \$59.”

This statement is simply not true. If the statement were true it would mean that there would have to be six times as many farms in Sherwood as there are in Fox Valley, and there aren't. There are some one and a half times as many. He went on to say this:

“A farmer in the municipality of Enterprise pays as much in one year for education as a farmer in Sherwood pays in 4½ years.”

This statement is also not true. They pay in the municipality about the same amount in total for educational services. If it were true that a farmer in the Enterprise area paid in one Unit as much as a farmer in Sherwood in 4½ times as many farmers in Sherwood as in Enterprise, and there aren't.

Mr. Cameron: – You are talking about the assessment – the value of the land in \$1,000 . . .

Hon. Mr. Lloyd: – Mr. Speaker, I am talking about what the hon. member said, not what he thought he was saying. I am talking about the statements which appear, and which a great many people will have read, in *The Leader-Post* on Tuesday, February 2, page 5. These are the statements which have gone out across the country.

Now he was going to correct all of this by introducing a school grant formula which he described as a “foundation system”. In talking about this he made the statement that there are thousands of people not paying on red nickel in support of education. Well now, I know there are some districts closed and without any pupils attending, and districts which are not in a Unit, and there may be a few of those not paying any school taxes; but I doubt very much that there are thousands. I think the hon. member was enjoying some poetic licence at that point, and I shall let him enjoy it, if he so wishes.

May I take these two areas of Sherwood and Fox Valley again. May I point out that if we paid no grants whatsoever to the schools operating in the Sherwood municipality, it would increase the mill rate over all by about 2 mills. In other words, you won’t correct this differential by just changing a little bit of the school grant situation. If you are going to have, in effect, this same mill rate over the province about which the hon. member talked, then I submit that the Provincial Government would be in the position of re-entering the field of taxation of land, collecting taxes on land from some areas and spending those taxes in other areas of the province. The alternative to this would get to increase grants from \$10 million to \$15 million, which is a strange suggestion to come from one who spent much of his time doubting whether or not the province would really be able to raise the money which it was proposing to raise in the year following. I trust that, when the hon. members explain the Liberal program for educational finance to the residents of Sherwood municipality, they make plain to them that the proposal would substantially increase the taxes which they are going to be paying for school purposes. Not only will he be increasing the taxes, but he will be taxing them without paying them any grants, and using some of the revenue from that source to pay the costs of education in other parts of the province.

I have no objection to that, but I hope the hon. member makes it clear to them. He suggested, too, I think, that the expenditure per pupil was a way of measuring the level of educational opportunity available in an area. I think anybody who looks at it will realize that equality of opportunity is not provided by equalness of expenditure per pupil, and that a difference in the total expenditure per pupil does not necessarily demonstrate inequality of opportunity. You have to take into consideration the costs incurred because of the population distribution and a host of other matters.

Let me look for just a moment at this matter of difference in costs, and what we have done to equalize those costs. In 1957, the total expenditure, including that from taxes and grants per pupil, in the Eston-Elrose Unit, was some \$300. In Regina City, taking into consideration all the schools, public, separate and collegiate, it was about \$200. Now, Eston-Elrose has a good educational program, but I doubt very much if it is one-third better than that

in the city of Regina, and yet that is the conclusion I would have to come to if I accepted the reasoning of the hon. member for Maple Creek in this regard. The cost per pupil, once you take out the grant contribution, changes considerably. The cost per pupil in the Eston-Elrose was \$241; the cost per pupil in the Maple Creek Unit was \$190 and the cost per pupil in the city of Regina was \$170. In other words, the Eston-Elrose expenditure, total per pupil was actually less than that of Maple Creek, but the local cost paid by the ratepayers of the Eston-Elrose Unit was \$70 per pupil higher than in the case of Maple Creek. This is what the hon. member calls “robbing the poor to pay the rich”.

If we want to take the extreme, as he has done, the local cost per pupil in a Unit such as Meadow Lake is approximately one-third of that in the Eston-Elrose Unit.

He claimed, too, during the course of his address, that his resolution of one year ago was accepted unanimously in this Legislature. Well, I looked up the Journals and on page 69 of those Journals I find this: “The Assembly resumed the adjourned debate on the proposed motion of Mr. Cameron, and the proposed amendment, thereto by Mr. Thorson, the proposed amendment being: “That all the words after the words ‘municipal bodies’ be deleted and the following substituted therefore.” The amended resolution read:

“That, recognizing the growing financial crisis in education facing local school officials and municipal bodies and the Provincial Government, this Assembly favours the establishment of a more comprehensive foundation program for education in Saskatchewan, and reaffirms its stand that the Federal Government, as well as the Provincial Government, should assume a greater share of the cost of such a foundation program.”

This was passed unanimously, but this was an amended resolution, not the resolution presented originally by the hon. member for Maple Creek.

Mr. Cameron: – All it added was ‘Federal aid’.

Hon. Mr. Lloyd: – Oh, no! It added ‘Federal aid’, and it also added the words “a more comprehensive foundation program”, which are quite important.

I would like to look for a moment or two at the foundation program. A foundation program, in essence, simply meant this. It is that a certain level of program will be paid for by a uniform rate of taxation across the province, plus school grants of certain amounts. Since the areas differ in ability to pay, the amount produced by the mill rate will differ and the grants will have to differ accordingly. That means that the total cost would be provided by a uniform levy plus grants, but the costs will not likely be the actual costs incurred by any particular area. In almost every case, I submit, the actual costs will exceed those provided by the foundation program, so that there will continue to be a variation of mill rates across the province. Even when this is done, let’s bear in mind that

there are some important decisions to be made with will determine more even than the principle just how it is going to operate. Somebody has to make a decision, first of all, as to what is a defensible and desirable level of program to be achieved. Somebody has to make a decision as to what costs are going to be used in producing that program, and somebody has to make a decision as to the portion to be carried by the Government grants. Such a program then, Mr. Speaker, involves certain elements of control and of central direction.

By doing this, the hon. member for Maple Creek said: "It would drop the mill rate in many areas to less than one-half of what they are not paying." Well, it would, of course, if one of two things happened. It would if the mill rate in many other areas was increased accordingly, so as to make up the additional funds necessary; or it would, if the grants were increased enough to make up the loss of revenue to education. How much increase? The hon. member spoke at one point of a grant which was some 60 per cent of the cost of operating schools. Thus, since he estimates our present contribution as 40 per cent, I think he was talking then in terms of an increase in grants of some \$12 billion; but in the same speech he warned that the Government estimating of revenue was too shaky. This he corrects by adding approximately \$12 million to it.

I want to look at the system of grants that is in effect in the province of Saskatchewan – a system of grants which does not have all of the elements of what one might call a pure and theoretical foundation program, but a system of grants which is nevertheless a foundation program of grants. As I intimated, last year, it was our plan to continue to broaden the foundation on which our program is based and also to improve the level of that foundation. There are two basic factors to be considered. One of those is the cost of the program, and the second is the ability to pay of the various areas in the province, which involves an equalization factor. Now there are different ways, I submit, of developing both costs and ability to pay. You can, for example, with regard to costs, take a number of detailed items and assess the costs of each. Theoretically, you could say that in each area there should be so many teachers with professional certificates and so many with standard certificates, and so many with other kinds of certificates. There would be so much cost for fuel, so much cost for administration, so much cost for transportation per pupil, and so on, and you would get a very detailed figure representing costs. Or, I suggest, you can do it as we do it. We measure it by lump sums for the main items on which costs depend. You can do it either way and get the same answer. In either case, I want to say again the costs as assigned are desirable, rather than the actual costs incurred by the district. If you use actual costs then you reward greatly those areas with greater ability to pay, or those areas which, because of more favourable conditions, can attract teachers with longer experience and higher certificates.

We assign in our formula the lump costs on the basis of the number of teachers and all classrooms, whichever is the greater, and we use the actual costs insofar as transportation or payment of fees is concerned. You will remember that, in the formula of 1958 we used a cost of \$3,600 for each elementary classroom. This will be more than the cost of operating some elementary classrooms; it will be less than the cost of operating others. We used the

figure of \$5,000 for a high school classroom which will be more than the cost of operating others. Secondly, we used actual costs for transportation, for fees paid, for high school assistance and so on.

The second factor is how you determine and make use of the ability-to-pay condition, and, again, the standard, theoretical, classical method is to require that each area level "X" mills of assessment. To this would be added grants to provide money for certain program costs. Members may remember this was the method used in the province of Saskatchewan up until two years ago. This method, if carried to the extreme, could, of course, mean this. It could mean that no grants at all are paid to some areas. It could mean, as I say, that some areas pay more in taxation than the actual cost of operating their own schools. I think there is some weakness in it, in that it does not actually consider the mode or level of the educational services provided in determining the ability to pay.

Secondly, it does this. It presumes an accuracy of relationship between assessments which I think can be questioned. I think, first of all, we are not certain that one mill of taxation on urban property carries the same weight as does one mill of taxation on rural assessment. I am quite convinced that one mill on urban property is less weight than one mill on rural assessment. So I would hesitate to use a standard deduction factor for those two kinds of assessment.

Thirdly, I think very member of the Legislature will agree that there is some question about assessment as we now have it and its relative accuracy for wheat-producing land as opposed to mixed-farming or grazing land. The assessment in Saskatchewan, for example, is based on the ability of land to produce wheat, and there seems to be general agreement that the value of grazing land for livestock production is greater than the value of that land for the production of wheat. In other words, one mill on the high assessed land, under present economic conditions in agriculture, probably imposes something of a greater weight than one mill on less assessed grazing land. The whole matter is under study by the Assessment Commission and by the Continuing Committee, and we will hope to have much better answers in the future.

At any rate we have chosen, instead of a deduction in a flat mill rate all across the province, to use a formula which relates the assessments (after adding 35 per cent to the urban assessment) to the number of teachers employed and to the conveyance cost allocated as if spent for teachers. This gives us a relative percentage for each of the areas bearing directly with their ability to pay, which, applied to the program cost, determines the amount of grant they receive. And again, Mr. Speaker, may I point out that this can be arranged to give exactly the same answers as if we were to deduct "X" mills from the program costs in order to get the grant. We have chosen so as to arrange a higher residual cost for cities and larger towns than for Units.

I will now turn for a few minutes to the changes in the formula in order to distribute the additional money in 1959. In 1958, the amount of money available for grants, including the northern areas, was just over \$20 million. In 1959, it is estimated that \$24 million will be available. We

estimated that our grants, in 1958, carried some 40 per cent of costs, and that, in 1959, they will carry some 45 per cent of costs. It would have been necessary, even without changing the formula, to provide more money for school grants this year, because of additional classes being carried on in the province. The School Units have 121 fewer elementary teachers than last year, but 63 more high school teachers. The cities have 137 more elementary teachers and 46 more high school teachers. The net result is that there are 125 more teachers employed in the province.

We propose to make these changes in the school grants which apply to those areas employing 30 or more teachers. In 1958, we used \$3,600 as the assigned cost for an elementary classroom. In 1959, we will still use \$3,600 as a basic rate, but we will add to it \$400 if the teacher employed has a standard certificate or better. In other words, in every classroom at elementary level where the teacher has a standard certificate or better, the assigned cost will be \$4,000. In 1958 we allocated \$5,000 for purposes of assigned costs to high school classrooms. In 1959, we retain the \$5,000 as a basic rate, but we add \$600 to it if the teacher employed has a professional certificate.

The third change is that if the principal of an elementary school has a professional degree then the assigned cost for that position will also be \$5,600.

Now the question can very properly be raised as to why we don't recognize all elementary teachers with a professional certificate on the same basis as we recognize teachers in high school with a professional certificate. Certainly, there is no argument but that we need in our elementary schools teachers who have a university degree; but I think, also, the argument must be granted that so long as we don't have enough teachers with university degrees to go around, the greater need for the services of most of them is in the high school grades, and consequently the differential. We will continue to use the actual costs, of course, for conveyance programs, for fees and for board and room allowances, and so on.

In other words, we have, in doing this, broadened the basis of the foundation. We propose also to increase the level of that foundation support. In 1958, our percentage of assigned costs provided by grants were 26 per cent in the higher assessed areas and 76 per cent in the lower assessed areas. In 1959, our grants will provide 31 per cent in the high assessed areas, going up to 82 per cent of assigned costs in the low assessed areas. We have an increase of 5 per cent of greater assigned costs in the highest assessed areas, but of 6 per cent of the greater assigned costs in the lowest assessed areas. So we have broadened the foundation; we have improved the level of the foundation; we have also improved the equalization effect of the grant structure.

We can only estimate because we don't know what actual costs will be; but we do know trends in actual costs, and our estimate is that these trends will provide 24 per cent of operating costs for the higher assessed areas up to some 70 per cent (or perhaps just over) of actual operating costs in the lower assessed areas.

March 9, 1959

May I mention that, in addition to improvement in the financial position of school areas because of increased grants, there has also been a considerable improvement in some areas because of increased assessments. For instance, in eight School Units in the province the assessment from 1957 to 1958 increased from \$500,000 to \$1,000,000. In three other School Unites the assessment actually increased over \$1,000,00 up to \$1,500,000. In three cities the increase was from \$700,000 to \$1,000,000; and in two of the cities, Regina and Saskatoon, the increases in assessment amounted to some \$4 million or \$5 million.

I turn now to the second group of schools, those who do not come within the general formula and those who operate 30 or less classrooms. These will continue to receive the basic grant of \$900 per elementary room, and \$1,200 per high school room, and \$10 per year average daily attendance grant. The changes for this group are in regard to equalization. In 1958 we paid equalization grants to districts having assessments per classroom up to \$135,000; in 1959, we will pay for those districts with an assessment up to \$140,000. We will have more schools, and we will increase it for schools already in. In 1958, the equalization grant was 15 mills – times the difference between the assessment per classroom and \$135,000. In 1959, it will be 16 mills times the difference between the assessment per classroom and \$140,000. One other change is that, in 1958, for this group of schools, the equalization grant was the same regardless of whether the room was a high school or an elementary room. In 1959, we are raising it by approximately 20 per cent for those schools operating high school rooms.

The third change is simply an increase in the amount of money available for capital grants, which is in addition to the two grants I have been talking about – an increase of about \$400,000. As was announced in the Throne Speech debate, the Government is also prepared to purchase larger amounts of debentures than we have purchased in previous years. Even though that has been substantial, study is being given to a much more comprehensive plan of assisting in capital financing for next year.

May I take just a minute, Mr. Speaker, to attempt to summarize what has happened in regard to school costs and school grants over the period of the last ten years and the last five years. School costs, measured by expenditure of school boards, during the last ten years, have increased by 120 per cent; and here I make an estimate with regard to 1959-60. School grants, during that period, increased by 223 per cent, school costs by 120 per cent, school grants by 223 per cent. The total taxes, if we can think of this as being raised by one mill rate over the province, which had to be raised to meet the remainder, would mean an increased mill rate over the period of 35 per cent. The costs increased 120 percent, school grants 223 per cent, and the mill rate to raise the balance by 35 per cent. Over the last five years, costs (again I make an estimate as for 1959-60) increased by about 40 per cent, grants increased by over 100 per cent, and it seems to us that the same mill rate that produces the difference between costs and grants five years ago, would, over the province, not be increased to produce that difference in 1959.

I want to turn from perhaps the rather tedious use of figures about grants and money, to some other aspects in the work of the Department of Education, which I think are more than worthy of discussion in this Legislature. I would like to say a few words, Mr. Speaker, about the Fitness and Recreation Branch of the Department of Education. One of the highlights of the program of this branch, last year, was in carrying out the arrangements and the administrative duties necessary for the holding here of the British Empire and Commonwealth Track and Field Games.

During these games, which were held in the city of Saskatoon, some 10,000 people turned out to watch 160 of Canada's young athletes compete in track and field events. This was an excellent and most encouraging response of the public. The response was so good that something happened, which, I am sure, never happened in the lives of many governments before. We advanced to the organization some money with which to meet the expenses; when it was all over, they returned it all to us, because the public had responded well enough to take care of all the expenses. I want to express at this time, our appreciation to the Provincial Committee which arranged the British Empire and Commonwealth Track and Field Games in Saskatchewan in 1958.

Secondly, I would like to mention another kind of activity, which is carried on in connection with the Drama work in the province, in the schools, and outside the schools, too. In 1958, we had a course for drama directors. In this we were able to co-operate with the regional committee of the Dominion Drama Festival, and with CKCK radio and the Saskatchewan High School Drama Association. Some 20 people came to the course, and I don't think we have ever done anything which, certainly in my Department, has had so many letters of appreciation. The course is to be repeated next year. There is some very favourable comment just now in the newspaper with regard to the quality of school drama plays.

In co-operation with the Saskatchewan Teachers' Federation, a two-day conference on Physical Education was arranged by this Branch of my Department. This is addition to their normal activities, such as assisting and encouraging physical education in schools. Some 3,000 students took part in regional or provincial track and field meets, last year. The co-operation with such organizations as the Saskatchewan Amateur Hockey Association has made possible schools for hockey coaches and referees. Last year some 133 communities sent people to these schools. The result will be in those communities, better hockey teams, and more important, better boys and more interesting communities.

The Budget this year provides for increase in grants to those communities that organize recreational programs. Up until this year our grant was \$300 per year. This year, we propose that we will pay to communities having an acceptable recreational program one-fifth of the salary of a director – up to a maximum of \$900, plus an administrative grant of one-third of whatever the municipalities spend, making a total of some \$1,400 available for communities to organize recreational programs. I would hope that members of the Legislature, generally, would give encouragement to this kind of activity.

Secondly, I would like to say just a bit more about the program at the Provincial Technical Institute, which is now being constructed in the city of Moose Jaw. It is being added to the Moose Jaw Teachers' College. The first stage will be complete and ready for use, this fall. It will provide, almost entirely, shops. A second stage, which will add class-rooms to it, will be ready for use, we expect, a year from then, and the third stage, providing a cafeteria and a further gymnasium space, will be ready in the third year. In courses this fall, the trades training courses in motor vehicle repairs, in auto body repair, in welding and radio and television servicing will constitute the major part of the work. There will be institute courses, which are two-year courses at the post-high-school level in engineering and architectural technology. There will be a two-year course in secretarial science for people who want to fit themselves for business work of that class. There will probably be short courses such as the maintenance of heavy equipment. We now are running a course of this kind for the Department of Highways; some of the municipalities are interested. There is a possibility of short courses in farm mechanics such as we have been holding in Saskatoon, or short courses in rural electrification.

I would like, too, to say a word about the response to the work of the staff of the Provincial Libraries. Members may have noted that the estimates this year provide for a supplementary estimate and an increased amount in the main estimate for this purpose. The main reason has been the growth of interest and action with regard to library services. During the year 1958, two towns, four villages, and two rural municipalities were added to the North-Central Saskatchewan Regional Library. Some 18,000 people in these municipalities decided to avail themselves of these services, making a total population now of something over 51,000 being served by the Regional Library. During the last five years, in total, there have been eleven new public libraries established, and ten new community libraries. The circulation of books by the Public Information Library has increased during that period by some 42,000 volumes making a total of 86,000 volumes circulated last year. I would like to point out that most encouraging in this, I think, is that there is an adult circulation of almost 38,000 books, entirely non-fictional in nature.

The other phase of the Department to which I want to have some reference, this afternoon, is the Adult Education Branch. I think that anybody who takes a good serious look at the world as it exists must be aware of the need for greater adult education opportunities. This, it seems to me, may well be one of the great educational challenges of this time and certainly of the next decade. Some people require education at the adult stage in order to make up deficiencies in their formal education. Others require it in order to extend the skills which they have. More important than these is the necessity of developing the habit of getting together for purposes of study and discussion, and talking about problems which people have; I submit that the slavery of today is not the slavery of whips and of chains, but simple the slavery of not knowing the remedies that are available to us.

I was very pleased that the Government was prepared during the year, to make available the facilities of what we now call the "Saskatchewan House". I would like to say a word of public appreciation to the Minister and the Department of Public Works for the extraordinarily excellent job which they did in restoring those facilities. I hope that it may be possible for many of the members to take the opportunity to visit Saskatchewan House. Some 800 people per week are making use of those facilities at the present time. In a great many other centres in the province, too, there has been a very considerable increase in the number of people taking advantage of opportunities in adult education.

The year 1958 saw the official opening of the headquarters for the Research Council on the campus of the University of Saskatchewan. Having a new building meant that it was possible to transfer staff that had, up until that time, been working in the most difficult circumstances in something we called a laboratory in the city of Regina. We have been most fortunate, I think, in the Research Council, in obtaining the services of a very competent director and staff. We are steadily developing a varied program related to the development of Saskatchewan's Resources, to the extension of the services of the council to the industrial concerns in the province of Saskatchewan. May I just mention some work which is going on: the possibility of using rape seed in producing better grease and lubrication; some with regard to the development of safflower in nutrients in feeds – all of direct value and interest to agriculture.

There is some very interesting work being carried on with regard to both sodium sulphate and potash, which may have some very real implications in the future. Work that has gone on with regard to coal, the lignite coal of Saskatchewan and the tars which can be taken from it, in co-operation with the Power Corporation, has meaning both for the mining industry and the power industry. The very good experiment for a number of years now, of trying to find better ways of making use of low-grade ores, with particular emphasis on uranium, the success of which may make mines of deposits which are of now of sufficiently high grade to be called mines.

There is the work with regard to the ground water survey. This is of great importance to industry and to homes in the province of Saskatchewan. As was announced earlier, we have undertaken to do, for the Government, a very extensive survey of surface water for facilities in the province.

Now because it is a timely topic, and because certain members have already had reference to it, I wanted to say a few words, Mr. Speaker, about the problems of temperance education, of what we have been doing, and are proposing to do, in this regard. To begin with, the grants which we have been making to the Saskatchewan Temperance Federation will this year be increased from about \$12,000 to some \$35,000. The Federation has used this money in the past to send speakers to schools throughout the province. They have used the money, in my opinion, very well. We know how they spent that money, and we will be discussing with them in the near future what proposals they have for spending the greater amount of money which is available – we know generally. Some of it, I expect will be spent with regard to direct

work with teachers and teachers' institutes. We make available also, a grant of some \$1,500 to a school which is held in the city of Saskatoon, each summer, supported by the provinces of Manitoba, Saskatchewan and Alberta, appropriately called the "A.S.M. School". It is basically a summer-school to which all people can go, and of which a number of teachers take advantage each year. We will undoubtedly increase the number of films on temperance education which are available to schools from the Visual Education Branch. This part of the film library has been steadily increased over a number of years. These are aids, too, and encouragement for classroom work.

Several organizations and individuals have been good enough to say that the proposals for temperance education as contained in the course of study, and the special guide which we have distributed, are satisfactory. Frequently, the organizations, and the people belonging to them, express some doubt as to how effectively the program is carried out in many of the schools in the province. Well, of course, Mr. Speaker, the same remark could be made with regard to any subject. There is always, I think, a lag between theory and practise. Part of our job is to try to overcome that lag. In that regard, the Director of Curriculum, the Chief Superintendent, the Director of Teacher Training, the Supervisor of Guidance, have been having meetings, and will continue to meet, in order to determine how, through each of their programs, they can make more effective the work which is outlined in the curriculum and in the special guide.

But, having said all that, Mr. Speaker, I think we must recognize that desirable habits of temperance are not developed on the basis of just a few minutes a day instruction on temperance alone. Knowledge of the results of intemperance is necessary; but, it is not enough. Habits are not developed, nor are habits prevented, in isolation; nor is knowledge in isolation generally very valuable. Temperance education is not just a matter of teaching temperance. It is something that must be integrated with a host of other subjects – science, health and social studies. Whether or not people have temperate habits depends not just on their knowledge of the effects of intemperance. It depends on their mental health. It depends upon their general philosophy of life. It depends upon their standards of judgment. It depends upon the whole set of values by which they live. It depends upon their respect for other people as well as for themselves. Certainly it depends upon the courage with which they face the problems of the day. If education is going to be effective in combating alcoholism or any other kind of intemperance, we must consider the causes that promote intemperance and do what we can about the causes. We must try to provide those substitute activities which develop the habits and the attitudes to satisfy these causes.

I wouldn't pretend to be able to enumerate all of the reasons why people become intemperate, but I think there are some which will be easily recognized. Some people are simply looking for excitement; they are trying to escape from boredom. Some are trying to overcome inhibitions, so that they can talk more easily and move more freely and "feel more at home". Some are doing it because of worry – they run away from problems instead of facing them. Some do it just in order to conform with the group; like the girl in the play "Oklahoma" – they just can't say no!

Well, what can the school do, or what does the school do, with regard to helping people develop habits to prevent intemperance? I want to try to relate this to some of the activities in the Department of Education that I have just been speaking about – the interest in good fitness both physical and mental, participation in athletics, teams inside and outside of school under proper coaching, and the local facilities to make this effective. Let's get behind activities which get our youngsters into hockey games and into baseball games, and interested in track and field. Let's help them develop those habits that meet their needs for excitement in wholesome ways. Let's also encourage work in drama, and art, and literature and music, so that people have something to enjoy, something to talk to others about, and something to be at home with, without the need of artificial inspiration. Let's encourage the activities of better school libraries, regional libraries and other public libraries. Let's also encourage guidance programs which encourage students to study themselves, to take their problems out and look at them, to consider their standards of behaviour; programs which encourage teachers to be conscious of the importance of good mental health, to help students frankly face problems rather than tuck them away some place and worry about them and be afraid of them. Let's do more to develop the kind of total school situation that puts emphasis on human values as being the only worthwhile values. Let's challenge our students to think about human issues, and about people and their problems. Let me say too, that schools can't do it alone. I think that far too frequently the adult community expects schools to develop standards of behaviour, which that same adult community isn't willing to uphold itself let alone justify.

One of the members, speaking from the Opposition, made reference the other day to the effects of advertising, and I could wish that he had gone further. As he pointed out, we pick up a magazine and we find out that to be a "man of distinction" you drink Calverts; after the game, you relax with 'Pabst'; for the rising young executive, 'Four Roses' and 'Success' are practically synonymous. Here's an appeal to use this product, that's true, but it is also an appeal to something else. It is an appeal to enlist in the cult of conformity. It is an appeal which says, in effect, "you can't make money; you can't climb up the economic or social scale without using this particular product." We must remember that the people, who produce the product and want to sell it, advertise because to want to make more profit. The agencies who encourage advertising do so because they want to make more profits. This is part and parcel of the major reason for which the so-called free enterprise system exists. It is an accepted part of the morality of the system.

This is not just advertising alcohol, and glamourizing it; it is presenting false claims, and in doing this the makers and the sellers of alcohol are doing the same thing for their product that too many other advertisers do with theirs, and we accept it as legitimate. I want to point out, Mr. Speaker, that you can't bottle up this matter of temperance. It has to apply across the board. If people young or old are going to learn to be discriminating in their response to advertising, you can't include that which sells alcohol, and exclude that which sells soap or coca-cola, or motor cars, on the same basis. The false claims that are made need to be

branded as such, and the reasons for them exposed. This whole approach of selling, by convincing people to buy that which they don't want, on the basis of gross exaggeration and mis-statement, encourages people to accept false standards as a basis of success. A reform, in this regard, if it is going to be effective, goes far beyond the selling of alcoholic beverages.

There are many other public agencies involved as well, if we are going to properly do this job. There are those who are trained in the field of social work; there are all those who are trained in the various aspects of public health. There is need for a great deal of research in a great many different fields. I mention this, Mr. Speaker, because if this is going to be done (and I submit we ought to do it), it means more public spending. It means that we have to assess, in a more effective way than we have, the relative merits of public versus private spending. There are those people who consider expenditure of money by public-bodies sort of second-class spending and only private spending as first-class spending. I am afraid I would have to put the opposition in that camp. You can't do the things that are going to need doing by public agencies without diverting sufficient finances through public channels. To think otherwise is to be guilty of the grossest kind of wishful thinking.

Mr. Speaker, I want to join with many others who have taken the opportunity of congratulating the Provincial Treasurer on his budget. One needs to say little more than has already been said. For my part, I would simply indicate that because it does those things which in the Speech from the Throne discussion I suggested showed an 'accent on youth' with an emphasis on the needs of youth, I am prepared to support, and support enthusiastically, the Budget.

Mr. A. Loptson (Saltcoats): – Mr. Speaker, it seemed to be my lot to get caught in the 'grave-yard shift' in this Legislature. I think this is probably the fifth or sixth end of the budget debate in which I have been caught that way. I was caught in it last session too. However, be that as it may, it's better late than never! Probably it is because I haven't much to say, and the Government side is not very particular about what I say.

One thing I have found since I came to this session is that there is a little different atmosphere to what there has been in the past. There is a definite atmosphere of decay on the Government side. They seem to have an atmosphere of age; they're getting old and tired, and they are becoming impatient with the Opposition. That is particularly shown by their attitude to our questions. More often this Session than others, they find these questions embarrassing to answer. They turn them into Returns so that they won't show up in the Journals.

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

Mr. Loptson: – What's the matter?

Premier Douglas: – On a point of order – they never let me state my point or order; but that's another matter. The member cannot, under the rules of the House impute motives to any other member or to members of the Government. The rules of the House are very specific. You cannot turn a question into an Order for Return, except if you name two reasons: One, that it involves more than one Department, or that it involves more than the expenditures in one single year. There has been no question turned into an Order for Return unless it complies with the rules of the House, and it is against the rules of the House, Mr. Speaker, to impute motives and say the Government is doing this so that the answers will not appear on the 'Votes and Proceedings'.

Mr. Loftson: – Well, Mr. Speaker, I will go over the records.

Mr. Speaker: – Order! Order!

Mr. Loftson: – I was just repeating what actually has happened. I think I have something on the Order Paper today. There seems to be some secret about its answer.

There are other things that we find, too, and that is the Government's explanation of their Bills. In giving us information, they have difficulty in giving answers to some of our questions. They have been less specific than they have been in the past.

Maybe I shouldn't refer to that, but let me refer to one Bill that has already gone through this Session. I would like to refer to the Bill that went through the House, guaranteeing \$10 million to the Steel Corporation. I was rather surprised to find, through information given by the Provincial Treasurer on the second reading of the Bill, that the promoters were holding, or had invested, over \$3 million in the venture. I was quite happy to support that Bill when I heard that the promoters had invested \$3 million of their own money. But when it went through the Committee, I find that the promoters had actually less than one-half a million dollars invested of their own money – the 130,000 shares at 60 cents a share, I understood, were held by the promoters as we were told. Now we find the promoters are only holding 60,600 shares. The Provincial Treasurer said the others had been sold to friends of the promoters, which is quite all right. But when the hon. member from Redberry (Mr. Korchinski) made some statement to the effect that some of these shares had been sold to friends and members of the Government, the Premier got up in an awful hustle and insisted the hon. member withdraw that statement. He said he categorically denied that any of the members of his Government had invested in these shares. I submit to you, Mr. Speaker, that while the hon. Premier categorically could deny that he did not have any shares, how can he say that his colleagues did not? I think it was unreasonable to demand the member for Redberry withdraw that statement, because, after all, I am not holding it against anybody holding shares. The only trouble is the members over there are in a preferred position to buy shares, such as the Trans-Canada Pipeline, but why deny it? They got more of the shares than I could get.

Mr. Speaker, another thing I want to draw to your attention to is that we cannot even in the Public Accounts or Crown Corporations Committee, get proper answers. I had an occasion, the other morning, of being ruled out of order before I got half of my questions answered. My hon. friends seem to think answering a question is a case of explaining just half the answer. I was asking why the Fire Insurance office had cancelled the agency of some prominent agents throughout the province, some of them in my constituency. The Minister conveniently picked out one and said that action was justifiable. Then when I asked him about the others who had their agencies cancelled, the Chairman said, "You're out of order!" Now, I am going to submit that any more of that kind of treatment and the Opposition might just as well walk out of that Committee.

Hon. Mr. Walker: – Or learn the rules!

Mr. Loptson: – If we are not permitted to ask the Minister questions that relate to affairs of this province, then we might just as well walk out, and let the dictators carry on.

Now, having said that, Mr. Speaker . . .

Premier Douglas: – Mr. Speaker, on a question of privilege, I don't want to interrupt my hon. friend, but when he raised the matter of the interjection I made, the other day, regarding the member for Redberry — the member for Redberry was not talking about 60 cent shares of the Interprovincial Steel. I understood that he was talking about the sharers of the Dominion Bridge & Iron — he talked of it going to Saskatoon, and then it came the Regina. I want to make it clear that whichever was his intent, whether it was shares in Dominion Bridge & Iron or Interprovincial Steel, I have full authority of all my colleagues to say that none of us have any shares in either.

Mr. Loptson: – It may be so, but how does he know, even if they said so?

Mr. Korchinski: – Mr. Speaker, I had not mentioned Dominion Bridge at all.

Hon. Mr. Fines: – You certainly did.

Mr. Korchinski: – There isn't that word in the whole speech. I just got a transcript of the speech this morning, and when the hon. Provincial Treasurer says I did, well, he doesn't know what he is talking about.

Hon. Mr. Brockelbank: –Mr. Speaker, I would like to raise a point of order. The hon. member for Saltcoats just now made a remark which cast a reflection on the honesty of members in the Legislature when he said to the Premier, "How do you know — even if they say they haven't got any?" I think the hon. member should withdraw that remark.

Premier Douglas: – The answer, of course, is obvious as to why I know – because I happen to be dealing with gentlemen!

Mr. Loptson: – Mr. Speaker, I have one item I want to bring to the attention of the House regarding remarks the Minister of Highways (Hon. J.T. Douglas) made when speaking in this debate. He stated that it was because of the Liberal Government that price controls had been removed after 1946 or 1947. I want to tell the house that anybody who thinks they can have the price control of goods and services without having control of labour costs also, just don't know what they're talking about. To blame the Liberals for it is not consistent with the facts. I may refer them to an article in 'The Commonwealth' by a C.C.F. Federal member for Dauphin, Manitoba, at the time this controversy on price controls was going on in Ottawa, and he states as follows:

“The only solution for our price chaos is price control. It is futile and politically dishonest to kid the public with painless substitutes. For 10 years now, all the political parties have been in varying degree guilty. It is true that the C.C.F. have, from time to time, flirted with price control, and as a former C.C.F. member of Parliament, I have to admit that as a Party, we have not taken a definite stand on this vital issue since 1948, and must therefore, accept our share of the blame for shilly-shallying in Canada's national No. 1 disease.”

So here is one C.C.F. Member of Parliament who is at least honest, and admits the C.C.F. are just as much at fault as the other parties, for the simple reason that they, in the debate, argued that there was no need for holding down wages, but you can hold down prices. Everyone must know that about 80 per cent of the cost of the goods and services is labour cost. True, Canadian labour isn't 100 per cent cost of the goods; some of our goods, or part of them are brought in from across the line from the United States. If we were to hold the prices as they were in 1947-48, and the costs would naturally go up, it would not mean that the cost of the articles were any cheaper. It would mean that the difference would have to be paid out of public treasury, so that a car that I purchased in 1947 for \$2,200 today is worth over \$4,000, and we had a \$2,200 price control on it, the treasury would put up the difference. In other words I would be buying a car for \$2,000 less than what it is actually worth, and you and all the rest of the people of Canada would be contributing to the difference in the price I paid and what it cost. That is exactly what they would be doing. So when people talk about controlling prices, they have got to hold the prices down of all the components that go into the article, or else the balance has to be paid out of taxes. So here is a C.C.F.'er who is honest about it, and it makes a liar out of all those C.C.F.'ers, including the hon. Premier, when they say that it was because of the Liberal Government that we did not have a price control. So much for that.

Then he goes on to say: "The Liberals are responsible for the low price of wheat." Well, I don't know who has done more to keep the price of wheat down than the C.C.F. Party, and particularly the Government of Saskatchewan, by their continuous harping on giving away our wheat – that's much cheaper than selling it. Then take, for instance, the undermining of the 'have regard' clause in the contract made with the British Government some years ago, when we were endeavouring to get some consideration on the 'have regard' clause and we were entitled to at least a 25 cent per bushel bonus, which would have amounted to about \$145 million to the western wheat grower. My hon. friend, the Minister of Municipal Affairs (hon. Mr. McIntosh) got up on the floor of this House and said that the British Government had already paid around \$180 million more for what they had got than what they needed to. Well, we lost that \$145 million.

I would say also that this man who is now representing the farmers at Ottawa has done his share in lowering the price of wheat to the western grower. What did he do to our contract with Poland two or three years ago, when he got up on the floor of the House of Commons and wanted to know about how the deal was coming off, only to let the American sellers know about it, and they were on Poland's doorstep and took the wheat market away from us? What is the result of his 'mouthing' about the car shortage two or three years ago? I believe I mentioned in this House before that that was going to cost the farmers of western Canada a penny or two. Shortly afterwards, I noticed an article in the paper put out by the Wheat Pool, indicating that, if they had to pay demurrage on cars at the terminals, it would cost the farmers of western Canada over \$4 million a year.

Mr. Kramer (The Battlefords): – Mr. Speaker, may I ask the hon. member what is the date of that publication?

Mr. Lopton: – I am not quoting anything: but it was January 7, 1959, right on the front page. The result of this Hazen Argue argument about the car shortage was that they found out that the Wheat Pools were responsible for holding the cars up; it has been before the Court, and the position is that the railway company is entitled to this demurrage after a reasonable length of time. It is still going to cost the farmers of western Canada approximately \$4 million a year, because the elevator companies at the terminal claim that they cannot unload the cars in the time that is allotted to them. So that's that much for the price of wheat!

Coming to the budget, there isn't much that I can add to what has already been said. I think the budget has been covered pretty well; but I might say it is certainly no compliment to the people of Saskatchewan when this Government blows about how much they have given the people since they came into power, and they compare the amount of money that the people have provided this Government with to what the previous government received.

I took the trouble to figure out just how much money on revenue account was available to the previous governments for the last 15 years. During that 15 years, from 1929-30 to 1943-44, the total amount received was \$297,016,000; and from 1944-45 to 1958-59 it was \$1,273,920,000. In

other words, this Government had spent over 4½ times as much money in that period than the previous government had done. During that period that former governments were in power, they set up every institution that we have today. All that these people have done is add to it – and why shouldn't they? They have had almost \$1 billion more to spend than the previous government had. If you are going to take capital expenditure and add that to it, you will have almost eight times as much. True, some of that money has been used for redeeming bonds; but allowing for that, I venture to say that they have had seven times as much money to spend as the former government had.

If you check up the value received for this money spent by former governments as compared to the value that this Government has got for the money they have spent, it would certainly open your eyes; and it makes you wonder just how the former governments could give so much for so little, and how little this Government did provide for so much money.

Now coming back to more details, I checked over the proposed highway program. I was very interested in that and I notice that in his list of construction for this next season there is no provision made for the extension of No. 8 Highway from No. 14 to No. 10, which has been a 'football' for the last 15 years if not longer. There has been no provision made for that piece of road from No. 14 to No. 9, which has also been a road that is very much in demand by the travelling public. Not only that, but it would save a lot on those two roads from the corner west of Bredenbury to Yorkton, if they had that cross-road which goes to Melville and on to Regina. It would save diverting the traffic through Yorkton and back to Saltcoats – this is some 36 miles further.

Then I want to say that in road rebuilding it is interesting to note that he has provided for the reconstruction of some 100 miles of blacktop. I may be quoting that wrong, or maybe I didn't hear it right . . .

Hon. J.T. Douglas: – You are.

Mr. Loptson: – Well, what was the number of miles? If my hon. friend will correct me, I will accept his correction because I may have heard it wrong; but I understood it was 200 miles.

Hon. J.T. Douglas: – You're wrong.

Mr. Loptson: – If there is that much, or even a lesser amount, of reconstruction of blacktop, that would indicate that the work was not done properly in the first place, and it is a costly proposition to reconstruct blacktop roads, which I understand cost in the neighbourhood of \$45,000 a mile. Secondly, I would say that there is something wrong with our highways that are now completed if the truckers have to unload a third of their load at the east boundary of this province, or if they are coming east they have to unload it at the west boundary of this province, in order to reduce their weight to go across Saskatchewan to Manitoba. I am not suggesting that he should allow any more weight than the road can

carry, but I am suggesting that our roads must be second-rate compared to the roads in Alberta and Manitoba, if they can carry so much more weight than we can allow through Saskatchewan.

Hon. J.T. Douglas: – Have you driven on their roads?

Mr. Loptson: – Then he says that the reason for the high cost of farm machinery is because of the lack of price control. I might say that we have argued that point before. The old stock-in-trade might say that we have argued that point before. The old stock-in-trade of the C.C.F.'er is the fact that the big profits are all going to the companies, that the workers are not getting enough money, not any more money than they were getting in 1946. Well, we have checked that, and we find that labour costs in Canada (I presume it is about the same in other factories that make parts for our machinery) have gone up from 1946 to 1958 two and one-half times, and the price of machinery has gone up less than two times. In other words, the implement manufacturing industrial labour went up 158 per cent, while the price of agricultural implements to farmers in western Canada went up 95 per cent. That, I submit, does not prove much truth in the statements that they make.

Then they say that the manufacturer, of course, is making tremendous profits; but in the interval of 1950-52, the manufacturer was making about 5½ per cent (5.2 per cent, to be correct), and last year, I believe their average profit was in the neighbourhood of three per cent. So again, their argument is proved a lie there.

There is another subject I want to mention. A matter that is very much alive at the present time is the action of the Premier of Newfoundland. You cannot look at a newspaper, either daily or weekly, but where the Premier of Newfoundland is being taken to task for having had the nerve to challenge the foreign influence in the labour unions in his province. I want to say that the action of Premier Smallwood of Newfoundland in ridding the province of foreign union influence, which is plaguing most of Canada today, should be an encouragement to the rest of the provincial Premiers and also the Government of Canada, all of whom have been too lenient to labour union leaders . . .

Hon. Mr. Williams (Minister of Labour): – That's not what Mr. Pearson says.

Mr. Loptson: – . . . and some of whom have, of late, especially since the last World War, been exploiting labour for personal and political gain. I want to say that the foreign labour interest in the labour unions in this country is based on two particular reasons. First, they are interested in labour in Canada from a standpoint of keeping out industry as non-competitive to the American industry as they can possibly do. That is all to their advantage. They have even gone so far as fomenting strikes in some of our basic industries and tying them up, so the orders for some of these Canadian companies would be transferred to companies in the United States. That is particularly true in the steel industry. Furthermore, they are also interested in getting what fees they can from our workers here to add to the coffers of their own unions. We are told by some of these union leaders that they have nothing to do with the direction of union activity in Canada. If that is so, then why should our workers be contributing money

to swell the earnings of their unions?

Now I am not one to say that all union leaders are racketeers, although too many of them are. I can quote you from leaders here (I believe it was Mr. Mosher) who, in 1949, advised the unions to be careful in their demands for higher wages, because it was possible that they might price themselves out of the market. We find by records that that is just what they are doing. They have come to the crossroads where either labour has got to correct its ways, or the Government has got to take action to stop this continuous raise in the cost of production.

It was quoted in the press just the other day, that manufacturers of heavy steel had lost orders of \$200 million, last year, which were offered to them from South America, because they could not provide it at the price at which other nations were providing it: \$200 million would provide a lot of work for people in that industry. We understand, too, that if the increase is granted now in the pulp and paper industry which their contract calls for, in another year or so they, too, may find themselves in a position where they are going to have to close down. Eighty per cent of our pulp and paper is exported; they are in somewhat the same position as the grain farmer is in western Canada. Labour has got so high that, if there is a slight reduction in sales, the margin is so small that they are going to have to close their doors.

I find in this paper a statement: "Premier Douglas of Saskatchewan has taken issue with the Premier of Newfoundland, whom he says has violated the workers' rights". I would just like to know how many workers have anything to say about their union activities or the action their leaders have taken, especially where a check-off is in effect. I have talked to hundreds of workers of union members, and they have said that they have no say in the administration of their union.

Mr. Davies (Moose Jaw): – Where?

Mr. Loptson: – These men who are leading the unions now, just call their Union strike meetings, and they have to vote as their leaders say or they lose their jobs; that is all. That has been proven. That has been proven in the case of the dairyman in Winnipeg, where someone dared to criticize the management and he was kicked out of the union.

Mr. Davies: – Will the hon. member permit a question?

Mr. Loptson: – He had been with them for about four or five years.

Mr. Speaker: – If the member will allow a question he will indicate by taking his seat

Mr. Loptson: – He proved how little say they had in the union. The governments who administer the labour laws in the province appear to be scared of the labour vote, and that is one of the reasons why they have been lenient in enforcing the laws that they have on their own statute books, when there is a strike on.

March 9, 1959

This roughneck practice is brought about by hirelings of these union leaders. They don't claim any responsibility for it. You take, for instance, that strike at the Gaspé Copper Mine, last year, where they even went to the length of murder, knocking men over because they dared to go to work, because they didn't line up with the orders of the union. That union was led by a C.C.F.'er. Most of the union leaders are now either C.C.F.'ers or they are Communists. The ordinary good fellow (and there are quite a few of them) hasn't got a say at all. They haven't got a chance to say anything. If a man dares to say that they should go slow, he loses his job; these roughnecks come and kick him out. Everybody knows that, as far as the union policy is concerned, that is all cut and dried.

To prove that, I am going to refer to some things I said about an instance 10 years ago in a speech I made here in 1949 – and that is quite a way back. I am not going to take any credit for being a prophet, but I would suggest that some of my suggestions of 10 years ago are coming true, I will just give you an idea of what I said then, and I will quote:

“I would like to draw your attention to one particular case, not here in Saskatchewan but in Quebec, where a union with a paid-up membership of 650 members called a meeting and there were only 51 who attended out of that 650. They took a strike vote, and 27 of those present voted to strike, 24 voted against it. The strike went on.”

The strike was on at the time I made the above statement, the 27 out of 650 decided on whether they struck or not, and I would suggest, with serious consequences.

“The consumer and the population which depend so much on labour and its products should get busy and do something to clarify the present situation. We know it is necessary for our economy that labour should get a just reward for its work; and I know, from talking to many labourers, that they are certainly not in favour of a lot of these labour troubles that are brought about. We also know that Communists and the C.C.F. are just competing with one another in bringing this situation about. I realize, of course, that their intention is to bring about conditions whereby the goods produced by labour will be so high that the ordinary man cannot buy them. It has pretty near come to that now. By doing that they throw the labouring force out of work. That is, of course, the idea of my hon. friends on the other side of this House, or at least of their Party: and it certainly is the Communist objective.

“So I suggest, Mr. Speaker, that this Government should do something to help the helpless 95 per cent of the men and women who are honest and good workers,

and all they are looking for is a job and they are willing to give a decent day's work for it. I am going to suggest that this Government here, in an agricultural province like Saskatchewan, see what is happening and what is going to be the end of it; and it cannot be anything but disastrous as far as labour is concerned. I suggest that they set up a Labour Board to take it out of politics entirely. I suggest that they set up a Labour Relations Board composed of proper representation of labour, management, and consumers, with a Judge as Chairman. This, Mr. Speaker, I think should be national, because the danger of the end result of the present situation is serious enough to take that step."

That is what I suggested ten years ago, in 1949, and I am not going to take any credit for the suggestion; but the danger was on the horizon and it has been developing year by year.

As I said before, many of the Premiers of the provinces – and I am not going to excuse the Government of the Dominion of Canada – are playing with these leaders and ignoring the rank and file of labour, because they think they are going to lose some votes by going against the leaders. History of the past would prove otherwise. Every union leader in eastern Canada has been endeavouring to coax their membership to vote for the C.C.F. Party, who are by nature and in setup the Labour Party.

Hon. Mr. Williams: – You told us the other day we weren't doing anything for labour.

Mr. Loptson: – But they have never been able to get them to do so. They have been moving towards the other parties when they had a chance to vote by secret ballot. Let me give you, for instance, the results of the last Federal election in 1958.

Hon. Mr. Brockelbank: – Why bring that up?

Mr. Loptson: – . . . in Gaspe, Quebec, where this big strike was last year, which was led by a C.C.F.'er. They had a vote there last February or March, and we find that a man by the name of T. Gagne was the C.C.F. Candidate in the Federal election, a man by the name of English was the Progressive Conservative candidate, and a man by the name of Burns was the Liberal candidate. Here is the result of the poll, which indicates how popular the C.C.F. is in eastern Canada. No wonder they want to change their name!

Hon. Mr. Williams: – Aren't you glad?

Mr. Loptson: – The C.C.F. is just about as popular as a skunk is at a garden party.

Hon. Mr. Brockelbank: – As the Liberals are here!

Mr. Loptson: – I quote from ‘The Northern Miner’:

“In making an announcement at this week’s convention of the Canadian Congress of Labour that it intended to return and seek certification at the Gaspé Copper Mine, the United Steel Workers is evidently endeavouring to perpetuate the myth that it has the goodwill of the workers at Murdochville. By failing to support the strike perpetuated by the Steelworkers Union the Gaspé employees showed where their sympathy was, but if there could have been any doubt on that score it was effectively dispelled by the recent Federal election. In that campaign Mr. T. Gagne, the C.C.F. candidate and Union Leader at Gaspé, was snowed under in an avalanche of votes for his Conservative and Liberal opponents. The final count showed English, Progressive Conservative, 14,474; Burns, the Liberal, 10,039; Gagne, C.C.F., 282. That is how popular they are when the rank and file of labour has a chance to vote by secret ballot.

“And in case there might be any doubt that the people of Murdochville voted any differently from the rest of the constituency, the count of that community was equally revealing. The return there showed: English, Progressive Conservative, 451; Burns, Liberal, 394; Gagne, 28.”

That shows how popular your labour leaders are. That is why I am emphasizing that it is time that the Government should take action and save the rank and file of labour. It isn’t the rank and file of labour that is causing this trouble; and they are suffering for it. Who is responsible for the unemployment today?

Govt. Members: – The Liberals!

Mr. Loptson: – It is this gang of labour leaders asking for more than they can possibly earn. Who is going to hire a man if he cannot earn what he is paid? Most of these workers who are causing the high prices are people who are earning \$2.50 to \$3 an hour, and some of them more. It is not the fellow who is earning \$2,000 or \$3,000 a year. I feel sorry for the man who has to keep a family at present day prices on \$2,000 or \$3,000 a year. I don’t know how he does it. But who is responsible? It is these gangsters who are holding up the initial price of goods and the basic price of all goods. Take steel, for instance. Take the mining. These are industries that are in the hands of men who can demand higher wages; but the rank and file of workers in my town, and in your town, Mr. Speaker, are not in that category; but they are enslaved as a result of it, and it is high time that the Government should take part in it.

I can understand the Premier coming out and saying that the Premier of Newfoundland is opposing labour. Who is behind this move? It is the C.C.F. and the Communists of course, who are responsible for more unemployment. At the same time they are shedding tears for labour. That is the trouble today.

Now, Mr. Speaker, they talk about inflation. Inflation has been consistently talked about and written about, but nobody has come to the real point. I say again that inflation is caused by the cost of production, whether it is in high wages or high profits. The Government can control profits and take it away from the racketeers, but you also have to control wages, and that is the basic reason for high production costs. Now, if it is the intention of the C.C.F. to impose social economy, as is their long spiel at the present time ("the only salvation for our economic problems is the initiation of a planned social economy"), then the only way they can impose that is to destroy the present economy; and how can they destroy it quicker than by creating unemployment and closing the doors of factories.

I stated before that we are at the crossroads right now, and if Mr. Smallwood is successful in ridding his province of the foreign influence from his unions, he may have trouble on his hands with the Communists and the C.C.F. socialist leaders. What happened in New Zealand? Only about six or seven years ago there was a strike started in a fertilizer plant where the union made unreasonable demands. The management couldn't give them what they demanded, so they all went on strike, and the first thing they knew the strike was all over New Zealand. Before they could get it stopped they had to call in the police. Attempts were made by the striking unions to blow up railroads and other property; men were knocked on the head; and they did all they damage they could do . . .

Hon. Mr. Williams: – What has that got to do with this Budget?

Mr. Loptson: – . . . and the outcome of it was that they had to pass a law making it an offence to give any assistance to a union striker. That was the only way they could control the situation. The final result was that they had to cancel practically three-quarters of the Magna Charta. And that could happen here if there isn't something done to stop it.

Hon. Mr. Fines: – Is this the official Liberal policy you are giving us tonight?

Mr. Loptson: – The Liberal policy is to help the workers. I might say that the Liberals have done more for labour than any other government in Canada up to this time. They put on the Statute books the labour union legislation. The Liberal party gave them the right to strike if it was necessary as a bargaining power, and nobody had any complaint with that: but it is like all other good things. When it goes so far; when labour got to the point where it became in a position that men with greed and selfishness took advantage of the situation. The worst event that happened was when they were allowed the check-off, and they could get their fees without volunteer subscriptions. If a man today, in most of the provinces of Canada, is employed, he has to begin paying dues to the union. Who gets that money?

March 9, 1959

The Union leaders – and some of those leaders are paid in the neighbourhood of \$50,000 a year, so it is worthwhile holding a job like that. Yet there have been good honest administrators, like Mr. Mosher for instance, who advised the unions to hold back on wage demands in 1949. John Lewis is another one who told the miners that if they didn't produce more coal in order to balance the increased wages, they were getting, they would be pricing themselves out of the market. That happened through the last coal strike they had; they found out that very thing.

There is one other subject that I want to bring up before I quit. You will recall, Mr. Speaker, that the 1955 session – I brought this matter up, and I want to bring it up again. I want to put on the records of this House the whole transaction as it came about. It was in respect to a statement that the Premier of Saskatchewan had made, and it was reported in 'The Leader Post' of June 9, 1945. He is reported as having stated at Moose Jaw, as follows, and I quote:

"Premier T.C. Douglas of Saskatchewan told the 21st Annual Saskatchewan Conference of the United Church of Canada, Friday night, that production of penicillin had been turned over to the distillers and that it cost four times as much in Canada as in the United States.

"We protest against the Bronfman interest having a monopoly on the production of penicillin on the one hand, and being allowed to make alcoholic poison on the other."

Following this announcement, 'The Leader Post' of June 2, 1945, reported this:

"Allan Bronfman, Vice-President of Distillers Corporation, said Saturday that his firm did not have anything to do with the manufacture of the drug penicillin.

"We don't make penicillin and we don't make poison so he is wrong on both counts', said Mr. Bronfman."

Again, William Harrison, Vice-President of McKenna & Harrison, said:

"There is only a few cents difference in the price of penicillin in the United States where 20 plants are making it and the price charged in Canada. To the best of our knowledge the Bronfman interests are not producing penicillin in Canada', said Mr. Harrison. 'Certainly they have no interest whatever in the two Government-

operated plants – ours at St. Laurent, Quebec, and the Connaught Laboratories in Toronto. The only other plant I know of producing penicillin in Canada is a branch of a big American firm.”

Again, the Leader-Post on June 4, 1945, reported as follows:

“Montreal: Health Minister Claxton said at a press conference Saturday, that the price of the drug penicillin if anything is somewhat less in Canada than in the United States. The cost of identical bottles of 100,000 units is 96 cents in Canadian funds to hospitals in Canada, while in the United States it is 95 cents in American funds.

“Replying to Premier Douglas of Saskatchewan who was quoted as saying in Moose Jaw on Friday night that penicillin was four times as costly in Canada as in the United States and that the Bronfman interests controlled Canadian production, he added that far from having a monopoly in Canada, the Bronfman interests do not manufacture penicillin in Canada at all.

“Penicillin is produced in Canada at the Connaught Laboratories in Toronto under Government sponsorship by Smith, McKenna and Harrison Ltd., in a Government-owned plant at St. Laurent, Quebec, and by (Merck) and Company Ltd., in Montreal, without Government assistance.”

Again I want to quote ‘The Leader Post’ editorial of June 5, 1945:

“Premier Douglas’ charge about the production and sale of penicillin has not turned out very well. In fact, it has been proven that every one of his statements was wrong and the charge has turned into a boomerang.

“It is a habit of the C.C.F. speakers to see oppressive monopolies on every side. The picture they draw is one of economic monsters closing in on the little man from every side. They have been doing this so long now if the picture had any real truth the ordinary citizen by this time would be just about exterminated in that economic chaos. The penicillin charge is a typical one, but it is different in that all the facts have been available for many months had Premier Douglas cared to ask for them.”

March 9, 1959

By the way, at that time he was the Minister of Health in the Province of Saskatchewan.

“And the denial and correction came forth. Premier Douglas made this charge speaking before the Saskatchewan Conference of the United Church of Canada. He said: ‘We protest against the Bronfman interests have a monopoly on the production of penicillin’; and declared that the price of the medicine in Canada was four times the price in the United States.’

“Mr. Bronfman declared flatly that his distilleries were not manufacturing penicillin in Canada; they had nothing to do with penicillin whatever.

“Then William Harrison, Vice-President of the company making penicillin in a Government-owned plant, said that the price in Canada and the United States were approximately the same. He said there might be a difference of a few cents. Next the Hon. Brooke Claxton, Canadian Minister of Health, issued a statement that penicillin was made in Canada in three plants, two of which were Government-sponsored and the third was private enterprise. The price to hospitals of identical bottles was 96 cents in Canadian funds and 95 cents in the United States. He said that the price was, if anything somewhat less in Canada than in the United States.

“The unfortunate thing about this charge made by the Premier is not so much that it is aimed at bringing into disrepute a worthy Government-sponsored industry that has tremendous opportunity for contributing to human welfare, as a case that a public man who is the head of the Provincial Government to make such a charge without inquiring into the truth of the matter first. When public men go about the country making untrue charges such as this, public life in Canada is indeed falling upon evil times. Where does it leave the voters – when this kind of charges are made. How can he believe any statement by those who have shown such reckless disregard for accuracy.”

Again I want to quote from the former Minister of National Health, Paul Martin, who states in a letter:

“I can assure you that no Canadian distiller was ever engaged in the manufacture

of penicillin while the Liberal Government was in power. In fact, to the best of my knowledge no Canadian distiller is now engaged in such an operation, or even has been.”

In view of these facts, Mr. Speaker, and the repudiation of the Premier when I brought forward this charge – it was in the Session of 1955, March 15, the Premier got up on the floor of this House and this is what he said, after I had read the statements. He said:

“Not in 1945, but they had been making it when I made the statement, which was not in 1945.”

I wonder just how the Premier is going to lie himself out of it now. I say that while some of us are not ardent churchgoers, at least I have a high respect for our Christian philosophy. I have a high respect for churches of all denominations and I have a high respect for those who are dedicated to preserve and promote the Christian philosophy. But when the church is being used to spread malicious propaganda, then I say that is paying disrespect to our Christian philosophy and to our Christian churches.

I may say, however, that this is not the first time that the Minister has expressed disregard for the Christian faith. I can go back to the founder of the C.C.F. Party. That man sacrificed much for his faith, and I think his actions indicate that he was a convert of Karl Marx Socialism as far back as 1906. This may be news to many members of this House. He was assistant minister of Grace Church in Winnipeg; a big church. He resigned his job from the church, and in his letter of resignation he is quoted as saying, in effect, that he was not quarrelling with the church, but its philosophy did not coincide with his belief; and while he still had faith in his Maker he evidently had no faith in our Christian Philosophy. That is the founder of the C.C.F. Party, and I just wonder how our friends can support a political ideology that is incoherent with our Christian philosophy.

Hon. J.T. Douglas: – That is the most despicable thing I have ever heard.

Mr. Loftson: – If our capitalistic system and our Christianity which stands for the rights of the individual today, then that is compatible with the action of some of our C.C.F. and Communist labour leaders today. I would say that the basic Communist and C.C.F philosophy is that the individual has no rights, and nobody can deny it.

I have a long time kept this to my bosom and I wanted to say it, and if this statement will identify those who are Christians and those who differ then it is time we were going out on the hustings and deciding just that.

Hon. J.T. Douglas: – That is one of the dirtiest things you have ever done, and you have done lots of them.

March 9, 1959

Mr. Loptson: – Certainly you don't like it. I don't like it either, and you don't like it because you are being misled. I don't think you are to blame. I am not blaming you, but I am blaming the men who are leading this Party for misleading the public and using the pulpit of our Christian churches for spreading such false propaganda.

I am not supporting the motion.

Hon. Mr. Williams: – Mr. Speaker, before the hon. member takes his seat, I would like to ask him a question. Does the hon. member from Saltcoats know that the basic wage in the machinery manufacturing industry is \$76.30 a week, which is \$330 a month. Does he know that? And does he think that that is an excessive amount of money for any man to be raising a family on?

Mr. Loptson: – It depends on how he works for them. If he isn't producing enough then it is too much.

Mr. Frank Meakes (Touchwood): – Mr. Speaker, in rising to take part in the debate on the budget, I would first like to congratulate the Provincial Treasurer on once more, even with the difficulties outlined by him, in bringing in his 15th balanced budget, yet it is still a budget based on the needs of the people of this province. Great credit is due the Provincial Treasurer for his financial knowledge and ability, and we hope he is here for many years yet to guide the province into further fields of progress and success. I say to the Minister when he listens to the members opposite tear his budget to pieces, let him remember the words of Kipling:

“If you can bear to hear the truth you've spoken
Twisted by the knaves to make a trap for fools;
If you can see the things you gave your life to, broken
And stoop to build 'em up with worn-out tools.

As one examines this document, I cannot help but be impressed that this is a good document, a document based on the wishes of the majority of the people of this province.

I would like to examine this budget in the light of the economic conditions of the people of Touchwood. That condition at this time is very bad. What I have said in other years in this regard applies still, only it is still getting worse. The spiral of inflation that has occurred and at the same time the recession in the price of farm products, are continuing to put the 'squeeze' on all farmers. There is still a movement off the small farms by the operators to the urban centres. My prophecy of a year ago still stands good. If nothing is done to prevent this, in 10 years the family farm we know today will vanish. The continued movement of farmers this year is further evidence of its accuracy.

The first thing I noticed in the budget that will certainly help the people of Touchwood is the increase of over \$4 million for school grants. Education is one of the No. 1 problems facing the people at this time. The statement of the Minister in regard to scholarships to needy pupils is welcome news. This means, as I see it, that every pupil with the ability will have the opportunity to get further education.

Centralization has taken place rapidly in my area, and the statement of further grants for capital construction will be of great assistance. In my home town a six-room school was built five years ago. The first year only four rooms were used. Today it is overcrowded. Now plans are finalized for another four-room school.

Tied in with centralization of schools, of course, is good roads. The announcement in the budget of an increase of money allocated for grid roads will be appreciated by the reeves and councillors. They will appreciate the fact that this Government considers this program important enough not to be delayed but rather speeded up. Every municipality in my constituency is taking part in this program in this coming year. Wherever I drive these new roads are showing up. The people for the first time in many areas are no longer storm-stayed. They are talking in glowing terms of this mutual venture between the two levels of government. I only wish that it could be speeded up to finish all the projects in six years instead of ten.

The announcement that this Government is going to do something to assist the transfer of farms from the older generation to the younger will be welcome to the people of Touchwood. This is a problem that has been worrying a lot of our older people. They cannot afford to just turn over their holdings for nothing. They hate to sell it away from their family, so many are forced to stay on and work through the years that they might have enjoyed in retirement. We know that farm credit can only be handled adequately by the Federal Government, but this move is certainly a lot better than nothing.

The news that the residence clause for the determining of social aid responsibility is being removed, and that this Government is taking over the financial responsibility of social aid will be welcome news to the municipalities of this province. This residence clause has been a nuisance and an irritant, and I, for one, appreciate the fact that the Municipal Associations have accepted the Government's recommendations. I am sure this change will be very well received by nearly all.

At this time I would like to congratulate the Minister of Travel and Information for his foresight in organizing the tour of M.L.A.'s into northern Saskatchewan. The trip besides being enjoyable was certainly an education. I am sure that all hon. members who made that trip will agree with me that the welcome we received at all points where we stopped will long be remembered by us all. The hospitality we received from these friendly northern people was beyond compare. I was certainly impressed with the progress and industry of places like Uranium City, the tremendous expansion of Gunnar Mines in as short a time as two years. Flying over this vast territory from Prince Albert through to the northern boundaries

March 9, 1959

of this province, I certainly was impressed. The last half of this century will certainly belong to northern Saskatchewan. I can well imagine the fishing heaven that this country will be, once roads and camping facilities are built up.

After we talked to the people of the north, and heard their stories of the mineral wealth, I, for one, am sold on this vast territory. If I were fifteen years younger, I would be in the north within six months: it's a young man's country. I wish once more to thank these lovely people of the north for a grand time, and only hope that, in the not-to-distant future we can speed up the road-building into this northern frontier.

I would like to deal with the 'March on Ottawa' that today arrived in Ottawa. The attitude of western M.P.'s is disgraceful. The statements of the Minister of Northern Affairs have not only been stupid, but untrue. His statement called the leadership of the farm movement "irresponsible" and the movement was not from the "grass roots" is certainly both stupid and disgraceful. The farmers who travelled by skis, horseback, tractor or car from farmhouse to farmhouse, and the people in our cities, towns and villages who, after working all day, walked the sidewalks from house to house to get the petition signed, will not be pleased to hear these remarks. You know, Mr. Speaker, it takes some little ingenuity on the part of anyone to insult 300,000 people in one sentence as effectively as Hon. Alvin Hamilton did. I am sure that, when the proper time comes, Mr. Hamilton will be taught a rather severe lesson. In 'The Leader-Post' of last Saturday he is reported to have said:

"This farm march to Ottawa is a great promotion. I'm always suspicious of anything promoted by a province. I point out that these farm leaders from all across the west come and tell us that this is what they want . . ."

Mr. Hamilton said later in his address:

"Do hon. members believe that I, as an elected representative of a farm riding in Saskatchewan, have to measure my opinion of what is right or wrong by the number of name on a petition?"

Mr. Speaker, I think that is a ridiculous statement.

I would like to deal for a few minutes with the remarks made this evening by the hon. member from Saltcoats in regard to his stand on the I.W.A. I was not surprised to hear the hon. member make the reactionary remarks that he did. I wonder, though, whether he should not get together with his Federal leader, Mr. Pearson. There is certainly a big difference of thought between the two of them. To me the remarks he made were despicable. I was a member of a union, some years ago, a union that is affiliated with an American union,

but I can assure you that it was not American-dominated. Before this union went out on strike this fall, a vote of local members was taken with 85 per cent in favour of a strike. This certainly was not American domination. I despise reactionary remarks such as have been made by the hon. member this evening. This is the type of thing that leads in time to Fascism and dictatorship.

Hon. members across the way are always so scared of American domination of unions, but never say anything about American-dominated industry. Oh no! They never say anything about that. Personally I cannot see much difference. I feel it ill-fitting for any member of this house to make such remarks as were made by the hon. member for Saltcoats.

Mr. Speaker, for the reasons that I have stated I will certainly support the motion.

Hon. T.J. Bentley (Minister of Social Welfare): – Mr. Speaker, I have been a very silent member of this partnership since we met on February 12th. I think only once or twice did I open my mouth, and that was mostly to say “hello” to my good old friend across the way, the member from Arm River (Mr. Danielson). I do want to take part in this debate, though, and deal to some extent with the programs operated by the Department that I preside over at the present time.

Before doing that, I want to express a little disappointment about my long-time friend from Saltcoats (Mr. Loftson) and I wish he were here. I listened to him very carefully tonight, as I usually do when he speaks, because usually no matter how far off the track he is, he is interesting, and he started out that way tonight. He started by referring to an article in the ‘Commonwealth’ by a man who is an old friend of mine, and we have together occupied seats in the House of Commons, in the good old days between 1945-49, when price controls were a matter of considerable debate.

I would like to point out to the House that, with all the high regard I have for this man’s intelligence, he is not presently speaking for the C.C.F. When he wrote the article, he had a perfect right to write it; I read it, too. I wasn’t a bit surprised. I know he loves to provoke an argument. I would not be at all sure that he actually agrees with everything he wrote, knowing him so well. But if he can promote an argument by saying something that he really does not believe himself, he is very happy to do it; he is an intelligent person and has the ability to do that.

Even though it were true and he believed it all, there was nothing wrong with this article. Nobody argues that if you are going to have price controls, there has to be a measure of control in every single ingredient that goes into the finished product, including labour. Nobody argues that point. Any argument on that point that ever came from people on this side of the House in this Legislature, and from our group in the House of Commons, has been based on the right of labour to receive a decent share of whatever the price was.

The hon. member for Saltcoats said that 80 per cent of the cost of an article is labour, and I tried to follow his reasoning. I know something about his reasonings, because I have known him for a great number of years; I know his prejudices, and I know the way his mind works, pretty well. I would not quarrel with him too much if he was arriving at the conclusion through the process of thought that I suspect, or (let me put it this way) if he was arriving at that conclusion through a proper process of thought, which I hope he was. In that case he would not be far wrong, because labour enters into every single thing, whether it is the production of the raw materials that makes a door-knob, or the chisel that chisels out the hole to put the door knob in, or the auger that drills the key hole, or the brass polish that polishes the door knob, or the salesman who sells it, or the person who pushes it across the counter, or the one who installs it – every single thing in it, from the time it is first conceived as raw material until it is finished. Now that is the correct process of reasoning, and I think he is correct when he says about 80 per cent of the cost of an article is labour. Ergo, what about the other 20 per cent? Profit, which is too high a profit for anybody in any kind of decent, ordinary, everyday, fair-minded society!

If that is what the hon. member for Saltcoats meant, then I will agree with him, but I want him now to agree with me that the 20 per cent was too high, and that it would be reasonable to expect that labour would have a right under the conditions I mentioned, to receive 90, 92 or 93 per cent of the cost of the article. However, he did what he usually does, and for a few minutes I was quite happy to listen to him. As I say, I know him, and I like him personally, and I am usually interested in what he says. When he let his imagination run riot, and finally wound up with a lot of what he considered undesirable people, well, I thought – there's our good old friend going at it again! He may look like a missionary in a small parish out in the country, but he has an imagination just like Anderson or Grimm, or some of the other writers of fairy-tales, and when he does that, he's interesting. Then he got very boresome. One member in this House, I believe, a year ago accused this Government of beginning to get old and senile before it got wise. If ever there was a demonstration of approaching senility, it was during the middle longer portions of my friend's speech. It worried me a little bit because I am approaching the same age as he is, and I wonder if I am going to develop these same tendencies that he did, and get just as boring as he did.

However, he did say something which I think he should be answerable for, and I don't believe that he expressed the opinion of the official Liberal Party, or the rank and file of Liberals in this country, when he dealt with the problems facing the loggers in Newfoundland. I am not there at the moment, and I cannot speak with authority on what happened in Newfoundland recently, but I knew Newfoundland when I was a young man, and the whole Labrador coast. I know how the people were exploited, the illiteracy that ran rampant, when they almost spoke a different language from the rest of us. I haven't a very high academic education myself, but when I was

13 years old, I was engaged by Newfoundlanders to teach their children, who were much older than I was. I don't say that braggingly. I point that out to show you how utterly illiterate they were, and those people have, from that day until recently, been exploited by every person who knew anything about how to make money out of a quintal of fish, except by getting out and catching it out of a dory! Unless you have been there and know what they are up against, you don't know anything about it; and for my friend from Saltcoats to start dealing with the thing in the manner he did tonight was the height of ignorance to me, and it was worse than that. I hope he did not speak for the official Liberal Party, for if ever there was displayed the very thing we suspected on many occasions of the hon. member and some of his colleagues, he displayed tonight the iron claw of Fascism in dealing with the working class of this country.

You see, he did not have anything to say about the company which is foreign, either; only the labour is supposed to be foreign dominated. It is wrong to have a labour man associated with a labour person from some other country – this is wrong; this is evil; this is something the Government should do something about, according to the member from Saltcoats. The Government should go in with an iron fist and say to John Jones from Canada: “You can't have anything to do with Bill McGinty of the United States. If you do, here's the club coming down on you”. That was the implication of his talk, Mr. Speaker, and I cannot believe that that is the official position of the Liberal Party. If it is, then the Liberal Party should die in this country, and the quicker the better.

Mr. Loptson: – They're coming right up!

Hon. Mr. Bentley: – Who's coming up? Coming from where? The depths?

Mr. Loptson: – The Liberal Party is coming up.

Hon. Mr. Bentley: – Well, they've got a long way to come up before they get their noses out of water, from what was said by the member for Saltcoats tonight, if that is any indication of their thinking!

Just to give you a little bit of evidence of the falsity of his statement, or rather the prejudices of his statement; he mentioned New Zealand and the strike in the fertilizer plants there, and the wickedness of labour for daring to ask for a decent wage, but he didn't mention the owners, who were operating up until a few years ago in New Zealand, owned by the people of Britain, who would not sell these machines to the textile industries of New Zealand, but would only rent them to them. They could never buy them and enter into competition with the tweed manufacturers of Britain. He never mentioned that. That was foreign domination so far as New Zealand was concerned, in a basic industry of their country, but my friend doesn't know about that, or if he did, he should have mentioned it. But to have anybody in labour, who works with his hands, with skill, and dares to ask a decent price for his labour, that to him was something that should call for government intervention.

Mr. Loftson: – Mr. Speaker, on a point of order. I don't think the hon. member wants to mislead the House or put words into my mouth. I was defending the rank and file of labour; I was attacking the leaders.

Hon. Mr. Bentley: – Well, if that is a point of order, Mr. Speaker, I assume you are a better judge than I am and we won't argue that point.

I want to offer my congratulations to all members who have spoken in this debate. Those on this side of the House, I think, did a very good job because they had something basic to work on. The others did as good a job as they could. They haven't got apparently any underlying philosophy to base an argument on, and so they do the best they can with whatever philosophy they each happen to hold. In the main, however, in this debate I propose to deal with the programs initiated by this Government or expanded by this Government, which have been assigned to the Department over which I preside.

It has been said in the debate, by several speakers on the other side (and the member from Saltcoats did it again the other night), that everything we have done has been built on something that the Liberal Party, when it was in power, started. I supposed you could say the same thing about roast chestnuts. Anybody who roasts a chestnut, of course, is building on something somebody else planted many years ago. Some things did happen in this province under a Liberal regime, They were compelled to do certain things and they did some, but very tentatively, and very meagrely in most cases, and in some cases with no ancillary services to the things they did start. So it is fair to say that practically every program in the welfare field at the present time was developed and initiated, and grew under the direction of this Government.

Mr. McCarthy (Cannington): – That covers a lot of ground, 'Tom'!

Hon. Mr. Bentley: – I have been around a long time, nearly 52 years in the province, and again I point out that I am approaching the same age as my grand old friend over there – outside this House! I have been in the province a long while; I know the history of Saskatchewan as well as anybody else. Yes, my friend from Cannington does also. He may have observed somewhat differently than I have, but basically he has seen exactly the same things I have, and basically knows that, prior to the advent of the C.C.F., there were plenty of people in want, there were plenty of people unable to obtain services which they are able to obtain today. Nobody in Saskatchewan needs to be uncared for today; there is some service ready and available to provide what they need.

Someone may say I am only referring to the "dirty 'thirties", but I'm not. I am referring to the days prior to the real estate boom of 1909, 1910 and 1911. I am referring to the days of 1907 when we had real depression then. I can refer to the days from 1911 until 1915, and they were only overcome because of the advent of World War I. I can refer to the days of the first post-war depression, from 1920 until 1924. I don't only have to go to the "dirty 'thirties" for my references. I have watched the progress of events here.

Not only has this Government done good in this province, but it has done a great deal of good in other provinces – even down in Gaspe, where my friend was so happy tonight to tell about how unpopular the C.C.F. is at Murdochville. And, as somebody over here said, they are just as unpopular there apparently, as the Liberals are in most places in Saskatchewan, so that's a fair exchange! However, I won't argue with the popularity, but I will argue that the people of Murdochville today are enjoying something they have never enjoyed before, and never would have enjoyed, if this Government here had not set up what is called the Saskatchewan Hospital Services Plan. It was the first province to do so.

Mr. Danielson: – That isn't true.

Hon. Mr. Bentley: – My friend from Arm River laughs, and my friend from Cannington (Mr. McCarthy) is laughing. They both know it is true; they have lived here as long as I have and maybe a little longer, I don't know. They watched the thing grow here; they know what happened. They know very well there were years and years in this province when sick persons had to, themselves, or have somebody else, lay down the money before they could go into the hospital.

Mr. Danielson: – Oh no, that's not right.

Hon. Mr. Bentley: – Mr. Speaker, it is true, because I have driven people to hospital, and have had to go and find a municipal councillor, a town councillor, to have the 'O.K.' put on the money made available. And I don't blame the hospital one bit.

Mr. Loptson: – On a point of order, Mr. Speaker, I don't think my hon. friend wants to stir up the municipal councillors.

Hon. Mr. Bentley: – Mr. Speaker, I am not stirring up municipal councillors. The municipal councils did the very best they could in those days, and on the number of occasions when I have taken patients to hospitals, I found municipal councillors ready to come out and put on the necessary 'O.K.'; but the hospitals could not take them in, because there was no hospital plan or assurance that they would be paid, and even the municipal councillors wouldn't be sure when they gave the assurance or the 'O.K.' to the hospital, that they themselves would be reimbursed for the cost.

I have no hesitation in saying that universal hospitalization for the bulk of Canadian people today is a direct responsibility, and therefore, we have a right to be proud in this province that, not only do we provide for ourselves, but made it possible for a great many others. To give a little bit of evidence, I would like my friends to your extreme left to listen to this. Hospitalization was not adopted in British Columbia by a Social Credit Government. Hospitalization was established there, not by a Liberal Government, not by a Tory Government, but by a coalition Liberal-Tory Government who had joined forces to keep the C.C.F. out. Oh they hate each other on the hustings, these Liberals and Tories. What awful people they are when they get talking about each other; but what friends they are when they join forces against the C.C.F. After the Hospital Plan was started here in Saskatchewan,

the C.C.F. in British Columbia said as part of their program, "We'll establish it here in British Columbia like it is in Saskatchewan, if you'll elect us". The Tory and Liberal Coalition out there said: "This is a danger we cannot tolerate; we'll have to do something about it." So my friends down in the extreme left, Mr. Speaker, ought to remember that Social Credit did not start, in British Columbia, the hospital plan which they have there at the present time. I will say this in their favour, they are operating a very good one. They did not start in Alberta until after we did, and then they did not do the kind of job we did. So it was not universal until recently, when they finally signed the National Plan because, until that time, anywhere from 15 to 20 per cent (nobody knows exactly how much) – but by their own words anywhere from 15 per cent of the people were not covered by their own plan. So, Mr. Speaker, I should not back the Liberals. The Liberals knew we needed it. They said we needed it back in 1919. They kept telling us every election we needed it and that, if we would vote for them in the Federal field, we would get it. No Liberal Government ever in Canada set up one until Newfoundland came along and established their little 'cottage plan' and finally joined the National Plan after a Tory Government, building on promises of the Liberal Government at Ottawa, finally was compelled to do something to justify the big sweep they got last March 31st, and to bring the plan into being, reluctantly, but here it is.

Mr. Danielson: – That's not true.

Hon. Mr. Bentley: – And the people of Canada are able to benefit by this plan. I didn't hear . . .

Mr. Danielson: – Liberal Governments in Ottawa put in the National Plan. Go back and check if you wish. You don't know what you are talking about.

Hon. Mr. Bentley: – Mr. Speaker, there can be no argument at all about who initiated and set up the Hospital Plan such as we have here, which finally has resulted in the people of Canada having that measure of security which, I am sure, must give a great many of them a great deal of satisfaction. I'm proud of that too. If we are not too popular in Murdochville, if they don't vote as much for Mr. Gagne as I would like them to do, I am still glad they have got the plan to fall back on when any of their families are sick. I am proud that we, here in Saskatchewan, made it possible for them to do so.

The same can be said of many other things. The same can be said for the medical care for the old-age security people now; but when it came into being 'the old-age pensioners' (as they were then) were on a 'means test', and still are, under old-age security. It was this Government that initiated that kind of a medical care plan for them – there can be no argument about who did that; and because of that other provinces have followed suit. Alberta and British Columbia have done it, and God bless them for doing it! They followed suit, we set the way. If there is something wrong with us over here, as our friend from Saltcoats says there is, then we certainly must be too evil for the people of Alberta and British Columbia to follow. So,

somewhere along the line, either they are very naive in recognizing what is good and bad – because they followed us in the provision of these services, and they do a very good job and, God bless them!, I think they were very smart. But, my friend from Saltcoats obviously thinks they weren't too bright.

I don't know how my friends on your extreme left are going to vote in this. I haven't heard any of them say what they were going to do. However, I would remind them of these things that I have just said, and again there can't be any argument about where these things were initiated – it was right here in the province of Saskatchewan under a C.C.F. Government.

Now, in case our three friends, on your extreme left, feel that they have some affinity with the Liberal Party – they voted against us on one major vote here, and I say I don't know what they are going to do on the next one; but I do remember one of them saying “anything that has good that has happened in Saskatchewan was in spite of C.C.F.” I can't quote it because it was in another debate, but I remember the words quite well, and that was the sum and substance of it.

Let's look at the province that he bows to. He bows to the west rather than to the east, and I think his Mecca is to the west of where he lives and let us see what the Liberals say about them. I'll quote from 'The Leader-Post' of February 24, 1959, which was the same day the speech I just referred to was made here, which I can't quote from, because it is against the rules of the House. But, on that day there appeared an article in 'The Leader-Post' and it is headed: “Alberta Budget Hotly Criticized”, and the Opposition Leader Grant McEwen of Calgary, described the Alberta Government's record \$309 million budget as a “grandiose election budget – we're spending far beyond our income.”

We sometimes hear about what goes on in the sister province to the west. Personally, I have never envied them their great wealth. I am glad they have it; I only wish we had a lot of our own, but I'm glad they have it. But Mr. McEwen does not give them quite as much credit as they would like to take for themselves. He says:

“The budget which calls for a deficit of \$48 million is the latest of a long line of Social Credit Government reversals.”

That is the attitude of the Liberals, the counterparts of those members opposite, in Alberta, Mr. Speaker. He goes on to say, and the paper puts this in quotes, so I assume it is verbatim:

“Time and again Social Creditors professed assiduously to pay-as-you-go policy, and they never heard me criticize that principle”, said Mr. McEwen.

“In a province which is milking the natural resources as heavily as this Government has been doing, the very least we can do is fit our spending to our income; but we are seeing a Government habitually going to political expedience, because it is an election year”, he added.

The he referred to Alberta’s claim of debt, it stated:

“Mr. McEwen said the province’s funded debt is down to \$29 million, but other debts should also be considered. These debts, he said, include \$21 million of unfounded liabilities to the Civil Service Pension Fund, \$16 million of liability to the Teachers’ Pension Fund, and about \$40 million in Municipal Finance Corporation Debentures guaranteed by the Province”.

He said: “To add these figures up, they come to more than \$100 million; and then we are going to spend \$48 million more than we take in next year, according to Mr. McEwen”.

“It is neither honest nor decent to deny that the buoyancy of Alberta’s treasury is a direct result of \$830 million in provincial revenues from natural resources, and Alberta’s big spending money was realized” (and this is the point I want my friends to listen to) . . . “Alberta’s big spending money was realized in spite of the Social Credit rather than because of it.”

That’s what your friends, the Liberals, say about your Government in Alberta, and I think it would be well for our friends across the way to take note of that when they get up so gaily and support them in their opposition to the good things this Government does.

Another thing I wanted to mention, too, is based on experience, on written history, but nobody knows nor wants to admit to these things – that is, to be honest and decent, and that is what Mr. McEwen says they should be in Alberta. I assume if it is good to be honest and decent in Alberta it is good to be honest and decent here, too. He being the Liberal leader there, then our Liberal friends here should pay heed to what he says.

Mr. McCarthy: – You should take a pattern off him, too.

Hon. Mr. Bentley: – Mr. Speaker, if my friend from Cannington can point out where I have made one error tonight in my recitation of what has happened in this province, I am willing to be corrected.

I am going on now to something else, and am going to make a similar statement. I am going to deal with Mother's Allowances which, under former governments in this province, were so meagre and niggardly they were virtually non-existent. We can go back to the record and read the annual report of the different departments that dealt with the public assistance in those days, and you will find what I say is true. The eligibility requirements were very rigid; the amounts available were very small. However, under this Government, Mothers' Allowances have been continually increased; the eligibility requirements have improved, so, today, the very thing that we have been accused of wanting to do, has been stopped by this Government. What I mean by that is this. We have been accused by people like the member for Saltcoats of wanting to destroy family life, wanting to destroy democracy, wanting to destroy all those things that we in our Civilization value. On the other hand, we have done the very things that have made it possible for many families to stay together that otherwise would have had to be broken up, through our Mothers' Allowance program, and that has been initiated, established and expanded by this Government.

I would like to mention something else. A man like Mr. Zaplitny and Mr. Woodsworth, whom the member for Saltcoats called the "founder of the C.C.F." – I want to mention something about that. I have the very highest regard and affection for Mr. Woodsworth, but no one person "founded" the C.C.F. I was thinking along the lines that the C.C.F. thinks now, long before I ever heard of Mr. Woodsworth, when I was working as a labourer in the logging camps of northern Ontario, when I was told that I was unfit to be a Canadian citizen, by a judge of a Canadian Court because I protested the triple-decked muzzle-loaded bunks they had in the lousy old logging camps of those days.

My friend doesn't know anything about some of these things.

Mr. McCarthy: – I've been there, 'Tom', and I know what you are talking about!

Hon. Mr. Bentley: – Then you know things are so. From the day you killed seals on the ice packs in the North Atlantic, right across the Pacific Ocean fishing for salmon – and everything in between that, you have done those things, so you know I am telling the truth. Because I objected, and those men were going to strike, but did not succeed, because we were too small, I was told by a judge that I was unfit to become a Canadian citizen. A few years after that I was good enough to wear a uniform and I have never been anything else but a good Canadian citizen.

The important thing to remember is that no one person founded this movement. The C.C.F. is the outcome of the thinking of a lot of people who recognized the social injustices that took place in the early part of this Century in this Canada of ours, and in Saskatchewan as much as anywhere else. These people joined together and chose, naturally, the most intelligent people they could find, and among those were the J.S. Woodsworths, and the M.J. Coldwells, and the 'Tommy' Douglasses – naturally chosen to be our spokesmen. We chose them there because they had the ability to say the things that we wanted said, and they have done it excellently throughout the years.

Let us go on to some other program which we operate in this province. There are some that the Federal Government participates in. They didn't do anything about them until someone thought of it. You see, in 1945 the Liberal Government at Ottawa was terribly afraid because of the low regard in which they thought they were held during the war years in many parts of Canada and even among the services, and the results of the 1945 election, when they had a very small majority, convinced them that their stock was not high, and that they had better listen to a few things from the Opposition. In those days the C.C.F. members of Parliament (I was there at the time) . . .

Mr. McDonald: – You got kicked out, too!

Hon. Mr. Bentley: – The C.C.F. members of Parliament were constantly pressing the Government for expanded social services, and eventually their pressure became effective. So a few years ago, in 1952, to be exact, we found the Federal Government entering into expanded social services for elderly people and disabled people. In the field of Old Age Security they took over the total cost of the paying of the Old Age Security pensions to people over 70. They were given specific taxes, earmarked for that purpose; I don't think the taxes were high enough, but nevertheless they thought they were at the time: two per cent sales tax, two per cent Corporation income tax, and two per cent personal income tax with a ceiling of \$60. Whether you earned \$3,000, \$4,000, \$10,000, \$20,000 or \$1 million a year, your personal income tax for old age security had a ceiling of \$60, which of course, I think was wrong. Nevertheless, they had these three taxes and the program was introduced. Then came the program which they were prepared to enter into with any province who would sign an agreement – old age assistance on a means test on those 65 to 69, and the disabled persons' allowance. The ink was hardly dry on their legislation and on their draft agreements before they were signed by the Government, and the programs put into effect. Because of that, something over 6,300 people are presently enjoying a measure of security that they would not otherwise have enjoyed.

Although it has been said on many occasions, and as long as I am here it will likely be said again, many of our programs have been commented on most favourably by the people from the people from outside. One chap from New York said to me one time, after looking over our hospital services, "If the people of New York State had a vote in Saskatchewan, you'd get elected at the next election". That is some years ago, and we were elected anyway. That's what he said; they thought very highly of our program. They come in from all parts of the world to look at the various programs we have, and many of them go away with the intention of using them.

Our Child Welfare program is no exception. In our Child Welfare program, I want to mention that, contrary to the municipalities carrying the bulk of the load, they carry about 4 per cent of the total Child Welfare load, with the province carrying the other 96 per cent. When I hear about nothing being done for municipalities, nothing being done for the farmer, nothing being done for anybody because of some particular item in the estimates, I think of the things that we are doing for these people that otherwise would not be done, or else the municipalities would have to pay for them themselves.

There are only two other choices – the municipality would pay itself, or they would not be done; and for the Child Welfare program we take 96 per cent of the costs of that off the municipalities, and take it over to the provincial treasury.

The passing of some of the amendments to The Child Welfare Act (which will be brought in in the near future here in this Legislature) we think will even yet improve our Child Welfare practices, which are presently, as I say, highly regarded all across this continent. I should mention particularly our adoption policies. The thing that happened in Ontario a year or so ago, couldn't happen here because of the very rigid and careful application of our adoption policy. No child comes into our care unless it is by a Court order, and that Court order only after a careful examination of the child, parents or guardians, and any others who are in any way connected with the child, and have an interest in its welfare – after all those who have been heard, the Court makes a decision, after which the child is then, according to the Court, made a ward of the Minister, then the natural parents cease to have any further influence on it and the child is then placed for adoption. The adoption homes are carefully selected and supervised before final adoption proceedings are gone through.

I would like at this moment to express some gratitude to the magistrate who operate the Juvenile Courts of the province. The magistrates have been doing a most valuable job in this field, and I think it proper they should be publicly recognized for the job they are doing.

I want to mention Social Aid as briefly as I can tonight. It is rather important, but I will deal with it a little later, on second reading of the Bill when it comes in. I want to point out that there are a lot of people under the free-enterprise system who become victims of society through no fault of their own, or whether it is through their own fault, they become victims anyway. They may be unemployed; a small business may have ceased to provide a proper living for them; the farm may have ceased to provide a living, and they require some kind of public assistance. They cannot fit into a category such as mothers' allowance, old-age assistance and others, but they need help. This province has been very generous in relieving the municipalities of the bulk of the costs. They have not relieved the municipalities of the responsibility of administering social aid, because that has been their responsibility ever since there have been municipalities, and long before that in British countries, it had been a parish responsibility. So social aid is administered by them, but the reimbursement of the municipalities has been extremely generous. In this program we are proposing, in the new Act, however, a different way of dealing with it so far as legal questions are concerned. But at the moment, until the new Act comes into force, if and when it is passed by this Legislature, the division is 75 per cent for the province and 25 per cent for the municipalities.

Again I would like to point this out; because residence is a requirement, then the people who have no legal residence become the responsibility of the Provincial government entirely, including their health care. When we take even the health care of the just the social aid cost of all the

March 9, 1959

people of the province, that which is paid by the municipalities come to 17 per cent, and by the province 83 per cent – or in about that figure, with slight variations from year to year. This is something that did not exist with the same regularity in previous administrations in this province.

I would like to point out, also, that in our Corrections Program we have been highly complimented by people in that field across the Dominion. It is with a good deal of regret that I have to report to the Legislature that, for reasons best known to themselves, the previous administration at Ottawa failed to take any action whatsoever on the recommendations of the Fauteux Committee. This Committee, you will remember, was a committee set up to examine the Archambault report on Penology in Canada, and make some recommendations for its implementation, and also on the Gibson report which dealt with the same thing. These reports spread over and over a good many years of Federal life without anything happening, and a former Minister of Justice, Mr. Garson, when he got the Fauteux report, stalled for several years before calling a conference.

The Report was issued in August 1956. Don't forget they had the Gibson Report before that; they had the Archambault Report before that, and then they had the Fauteux Report, which was a study of the other two, and recommendations based on the contents of those other reports. Then from 1956; when it first came out until last November, no conference of provincial people was called, and that by the new Tory Government, by the Minister of Justice, only by great pressure. The result is that nobody knows what is going to happen. We discussed all aspects of penology when we were there, last fall. We made recommendations and the provinces were not too far apart. The Federal people told us they would set up a committee to study our recommendations, and the recommendations of their own committee, and they would study for about three years, they said, and then they might have a program to lay before us. In the meantime, provinces were left without any real knowledge or guide whatsoever, to know how to shape their own program insofar as capital costs and provision of facilities are concerned, for the next two or three years. However, at least we are glad that some awakening has taken place down there, and I would like to mention at this point that we have been reinforced in our work here in the province by a very excellent private agency, the John Howard society, to which I hope all members, and the public as well, will be giving their support.

Our friends across the way talk a lot about free enterprise. They want the world to think they are great champions of free enterprise, and they want free enterprise to think they are ardent supporters of their system. I sometimes wonder how much free enterprise pays any attention to them. Again I go back to my days in this province. Minerals did not just suddenly occurring the north; we knew they were there years ago. I have talked with people from the north country, trappers and others who knew something of prospecting long before the Hudson Bay Railway went through; they knew all about that country. There was nobody in here. Sherritt Gordon finally came into the northern part of Manitoba, and the Hudson Bay Mining & Smelting finally in up around Flin Flon late in the 1920's; but there was no

free enterprises here in the way that my friends talk about. It has been said here before, and I think it will bear repeating, that even in the days of national extremity, even in the days when it was necessary to have all the enterprise we could for the production for war effort, nothing was done in Saskatchewan, Something was done in every single province of Canada, but nothing was done in Saskatchewan.

My friends across the way then say that we drove free enterprise out. I don't know how to take my friends across the way, sometimes; they are very charming friends. The hon. member for Maple Creek (Mr. Cameron) made a most amazing statement (if the 'Leader-Post' has reported it correctly); I listened myself and I think it was reported correctly. He said: "We the C.C.F., are walking hand in hand with big business". He nods his head so he agrees that is so. How then have we withheld it from the province? You can't have it both ways! If they have come in here hand in hand with us, we could not have driven them out; but if we have driven them out, they would not be hand in hand here: you can't have that both ways. I've been in this government – I've made love, too – and I know what hand in hand means. So you can't have it both ways; you've got to have it one way or the other.

However, I want to point out very fairly that this Government has made real efforts to get enterprise to settle here, recognizing there is very good reasons why they should be here, why we should be developing the resources we know are here, why we should be trying to discover the resources we think are here; and a great deal of success is attributed to those efforts. Nothing that my friends can say, they can't even laugh it off (not even our blissful but ignorant friend from Redberry (Mr. Korchinski) can laugh this one off) that they spent nearly \$1 billion in here looking, which they never spent at all in the years of liberal regime.

Mr. McCarthy: – Is that parliamentary to refer to a member like that?

Hon. Mr. Bentley: – I said 'blissful ignorance'. Which is wrong – the 'ignorance' or the 'blissful', Mr. Speaker? Which is unparliamentary

Mr. Korchinski: – You are only stupid, yourself!

Hon. Mr. Bentley: – Certainly they made no successful attempts to get enterprise here anyway, and people who had to depend upon those kinds of things for a living had to depend on private enterprise who, these hon. members say, we are hand in hand with, and whom we guide over the province, and with whom they are so happy to be friends, and whom they could not get to come into this province. Nothing happened anyway, and nobody got jobs. However, the C.C.F. has done it, and a lot more people have jobs now than would have had if it had not been for the C.C.F. There would have been the greatest unemployment this country has ever known had the Liberal Government in Saskatchewan stayed in power during the last 15 years, with the present depression attacking Canada and the farm situation as it is.

There is a reason for this, Mr. Speaker. I mentioned some of the things we have done in the field of social service, and I will mention some more before I take my seat finally. It is recognized by this Government that we could not expect an agricultural community, which has always had its troubles in making ends meet, to carry a heavy load of social services such as we felt the people should have. We recognized that, and we know that the income has to be augmented from other sources. The Liberals should have known that. I believe they did know, but either they were too indolent when they were in office, or they were unable to attract industry to come in here, or they were not concerned about social services, and, therefore, did not bother trying to put an economic base under those services. Those are the reasons why this Government has been successful in its efforts in getting industry in here.

Tomorrow, Mr. Speaker, I would like to deal with some of the larger aspects of the Department. I have dealt with some aspects of the Department and with other comments on the side. Tomorrow, I hope to deal with other matters connected with the Department, and so, with your permission tonight, I ask your leave to adjourn this debate.

(Debate adjourned)

MARKETING OF OFF-CONDITION WHEAT

Moved by the Hon. Mr. Brockelbank, seconded by Mr. Dewhurst:

“That this Assembly requests the Government of Saskatchewan to urge the Government of Canada to have the Canadian Wheat Board take immediate action to provide: —

(a) a special advance wheat marketing quote of three bushels per acre in addition to the quota now in effect, for all delivery points in Saskatchewan where any appreciable quantities of tough or damp wheat is stored on farms, such quota to be available to all having tough or damp wheat to market, and

(b) a sufficient supply of box cars to the above delivery points so that this off-condition wheat may be rapidly, and without serious loss, moved off the farms to the terminal elevators”.

Hon. J.H. Brockelbank (Minister of Mineral Resources): — Mr. Speaker, this problem is quite a serious one in a substantial area of the province. Practically all of the tough and damp grain lies in the area north and east of a line drawn through Yorkton and Humboldt, and the further you get to the northeast, the worse and more serious is the situation. A good deal of that area had quite a heavy yield of grain in 1958, but, unfortunately and more particularly in the northeast, much of it was low-grade. due to cold weather in the spring,

and frost in June which made the crops late, there was some frost-damage, and then the very bad fall weather caused further deterioration of the quality.

Much of the wheat in my constituency is No. 5, No. 6, or feed grade. The person who gets No. 4 is the one who considers himself to be particularly lucky. That is bad enough, because the price for these low grades is pretty low. At a 21-cent freight-rate point, the net price for No. 1 Northern is \$1.22¾, but for No. 5 Northern it is 90¾ cents – 32 cents dropped off the price, which is a very serious situation; then you go down to feed grade which is 78¾ cents per bushel at a 21 cent freight rate point. Tough wheat has a reduction of four cents a bushel under the straight grades, and this, of course, puts No 5 wheat down to 86¾ cents, and puts No. 6 down to 80¾ cents per bushel, and puts feed down to 74¾ cents a bushel.

Much of the grain is damp and has a higher moisture content, and the reduction for that grain is 16 cents for grades 1 to 5, and 14 cents for Grade 6 and feed. Those are the margins under the straight grade price. You can see what that does to the income. It gets the feed wheat down to 62¾ cents per bushel, and it is a mighty slow job getting some cash at the rate of 62¾ cents per bushel.

I did a little work on this, and I found that, in this northeast area – not just in my constituency, but in the northeast area extending from the Manitoba border over to Tisdale north to as far as the farming goes, through Carrot River and south to McKague; taking that corner of the province, and taking the ten-year average figures for grain marketing in that area, then the marketing for the last year, I find that in the crop-year 1957-58, at those points, there went to market over 8 million bushels of grain. Not all of that will be wheat; not all of it will be tough or damp. There is some of it that is in condition, and I have a report to show the extent of damage with moisture. The worst area, of course, is the northeast area from Hudson Bay over to Nipawin, and in that area there are only four shipping points where it is estimated there is less than 90 per cent tough and damp grain. In all other points it is estimated that tough and damp grain amount to 90 per cent. Now, when you come into the other areas down towards Canora, over towards Quill Lakes, out to Melfort, out towards Prince Albert and west of Prince Albert, there is still a serious situation, but not quite as bad. So there is no question that the situation is bad.

We are in the month of March now. This grain with a high moisture content will some time soon begin to heat in the bin and spoil. As a matter of fact, I had reports of one or two cases of heating already, with the strong spring sun striking the side of a bin and starting it off. So it is time we got something done about it.

It will be no good to get quotas in May or June for these people. The grains will be spoiled by then, and they won't be able to use the quotas by that time. If they are going to come, it would be very, very soon, indeed. I have a clipping here from 'The Leader-Post' of February 3, and the headline

March 9, 1959

is: "Special Quotas for Big Farmers". They are quoting Mr. D.H. Treleaven, of the Canadian Wheat Board. He said:

"Delivery Quotas will be raised to cover as much grain as the farmers want to sell, and in some cases where the surplus is exceptionally heavy special quotas will be arranged by the end of the crop year".

That's fine. I am all in favour of that. What I want to point out, however, is that if we can have special quotas for big farmers, let us have some special advance quotas now to take this wheat out of the farmer's granary, get it into the driers, and get it taken care of, so that it will not be a complete loss. It has been plenty of a loss and disappointment up to the present time.

I hope we can deal with this resolution tonight. The only reason I wasn't enjoying the debate, this afternoon, was that I thought people were talking too long, and I wouldn't get a chance to get this dealt with tonight, and get it away to Ottawa.

I can say that the Minister of Agriculture has been working on this question since last fall. I think I told the House before that I also wrote to the Hon. Gordon Churchill in regard to this matter, but I do think that a unanimously passed resolution would certainly do no harm, and might do some good. I am not asking for any larger quota for the farmers in the northeast than for any place else, but only asking for it in advance, to get the quota now, and to get the stuff out before it spoils, and then we won't be getting a quota there as much as they get in other places when it comes to June and July. We do not want an extra or more quota than anybody else during the crop year, but we want it for these people when it can be used.

So, Mr. Speaker, I take pleasure in moving this resolution, seconded by Mr. Dewhurst.

Mr. A. Loptson (Saltcoats): – Mr. Speaker, I wonder if the hon. Minister is aware of the regulations providing for emergency quotas and cars to take care of the damp grain? This, I understand, is obtainable through the Wheat Board and the Canadian Grain Commission, in special cases.

Mr. W.J. Berezowsky (Cumberland): – I wish to associate myself with the mover and the seconder of the resolution, because the situation insofar as off-condition grain on hand in my constituency is just as serious. I would like to point out that, due to the very heavy snowfall in the late part of the harvest season, most of the grain could not be taken off, and when it was harvested and stored, it was either damp or tough. I would also like to point out that, while there

are arrangements to move damp grain according to the permissible quota, yet no such arrangement is possible for tough grain. There is every danger that, unless some immediate action is taken to move both tough and damp grain, we can expect much damage and loss from spoilage. I am sure that, if an additional three-bushel quota was permitted at this time, and if both damp and tough grain were allowed to be shipped out and properly dried, such action would tend to alleviate many of the hardships that exist in my constituency and in the area north of Prince Albert.

Mr. A.H. McDonald (Leader of Opposition): – Mr. Speaker, I too give my support to this particular resolution, because I have had some experience with both tough and damp grain. I realize what a problem it is for the farmers to endeavour to take care of this grain, and in all probability the tremendous loss which may follow if they are not able to get it into the terminals where proper drying facilities are available, while the weather is still cool.

However, I am wondering why the mover of the motion (hon. Mr. Brockelbank) has asked for only a three-bushel quota. He does not state whether this is three bushels per seeded acre, or whether it is three-bushels for the total acreage. For the life of me I cannot see how a three-bushel quota, no matter which it is based on, whether it is on total acreage or wheat acreage, can anywhere near solve this problem.

The Minister mentioned (and I happen to know from first-hand knowledge) that that particular part of our province had a fairly heavy crop last year, and the farms in that area are not large farms. We all know that. But I was just trying to figure out here, while he was making his address, what quantity of wheat would be in question on the average farm. Suppose the average farm in that area had some 300 acres under cultivation, I presume they would have around 100 acres seeded to wheat. If the crop yielded 30 bushels to the acre, that would give the farmer about 3,000 bushels of wheat.

I think the average quota for that part of Saskatchewan now is in the neighbourhood of three bushels, and that would have allowed the farmer to deliver 900 bushels, plus the 300 bushels that he could have delivered on his unit, which would be 1,200, and this would give him, at three bushels per seeded acre to wheat, another 300 bushels, which would give him 1,500 bushels in total. Or, if you want to take it on his total cultivated acreage, he would have 2,100 bushels, but it is still going to leave a quantity of this grain on hand that is almost humanly impossible for a farmer to save, with the facilities that he has at his disposal. Unless there is drying equipment within the community, owned locally, it is almost impossible to save it.

It seems to me that the proper facilities are available at the terminal elevators, and I would like to see the resolution call for the farmers in that area to be able to deliver all of this off-condition grain into the terminals. I haven't any that is out of condition myself, so it is not a worry to me; but I am sure the people in western Canada who have grain in

good condition would be prepared to sacrifice part of their quota in order to move all of this tough and damp grain that is in a position of possibly spoiling when the warm weather hits. I say I am certainly going to give my support to this resolution, but I wish it had gone a little further, and asked for sufficient quota to move all of this grain that is liable to be a loss to the farmers concerned.

Mr. L.N. Nicholson (Nipawin): – Mr. Speaker, I wholeheartedly agree with this motion, as far as it goes. I happen to be one who had just such a situation. I do think it would be much better if this motion would indicate all of that grain. In my own case I would have had to have a 20-bushel quota to dispose of that grain, had it not been registered grain, and I had No. 5 damp registered wheat. Luckily, the germination was good and I have been able to dispose of two carloads – the last one was just shipped last Monday. In many instances in our area (and the hon. Minister is aware of it, I think), three or four bushels will help, yes; but it will not get rid of sufficient of that wheat so that it can be saved. I know if I had been sitting in this House, and that grain was not being moved, I would have just kissed it good-bye, because I would not have saved it during this warm weather.

I am going to support the motion as it is. If we don't see fit to increase that three bushels to the acre – I would like to see that done; but the situation in the northeast of this province is, I think, far worse than most people have knowledge of. When grain lies in the swath for 65 days, with three attempts to take it off, and take the swath-turner and turn it, and eventually get it into the bin, it isn't in a very good condition. That is a very serious problem.

I am going to go just a shade farther. The quotation at Nipawin for No. 5 damp wheat is 74¼ cents. I feel that I was pretty lucky. I got 85 cents a bushel for registered inspected Selkirk wheat. I feel I was a little bit lucky because it was registered; but what are we going to do with the fellow who has no registered grain and cannot possibly pay 15 or 20 cents to have it dried? I am glad to support the motion, Mr. Speaker, but I would like to see the three-bushels increased to at least six.

Hon. Mr. Brockelbank (Closing): – Mr. Speaker, when I was drafting this motion, I thought about whether we should ask for a definite quota or ask for something indefinite. If we ask for just a special quota to move the wheat, and get one bushel, well that would be a special quota. The reason I think of the three bushel basis is that I believe three bushels will take care of the biggest part of the trouble. It won't take care of it all, but most of the farms in the northeast have some pasture and hay-land which counts as specified acreage, and certainly, this is meant to be specified-acre-quota, so that this will take care of it.

There is another reason for having the quota of three bushels per acre in there. I want to see everybody get a chance at it. If they actually do something about this, there is going to be a rush for it, and I want to see everybody get a fair chance. If, after two or three weeks, they can raise the quota, okay! But let's start it out with three bushels, because it will take care of the biggest part of the problem if we can get another three bushels out, because every farmer didn't have all very damp grain.

When it is just over the line from dry into tough, it will keep until you get up another point or two in moisture, so that there will be some of that wheat that will not be a problem. So, if the farmer can get rid of the worst off-condition wheat on a quota such as this, I can tell you the people in that country will certainly be happy to see it come to pass.

The question being put, the motion was agreed to unanimously.

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