

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**Fourth Session — Thirteenth Legislature**  
**4th Day**

**Tuesday, February 16, 1960.**

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

On the Orders of the Day:

**NEWSPAPER CORRECTION**

**Mr. Kim Thorson (Souris-Estevan):** — Mr. Speaker, I would like to correct an error in the press account of the speech I made, yesterday, on the Throne Speech debate. It appears on pages one and five of the morning edition of the Regina 'Leader-Post' for Tuesday, February 16, which alleges that I said that in 1944 when the C.C.F. Government took office, the local governments paid 80 per cent of their operating budgets out of land taxes, and that this past year, 1959, they paid only 20 per cent. That is an error and, if I made that mistake, I wish to have it corrected now. I was referring to local government expenses for education, which I said local governments had to raise, out of land taxes, 80 per cent of their expenditures in 1944, and this had been reduced to 60 per cent in 1969.

**APPOINTMENT OF CLERK ASSISTANT**

**Mr. Speaker:** — I desire to inform the Assembly of the appointment of Charles Beverly Koester, Esquire, as Clerk Assistant of the Legislative Assembly. Mr. Koester, as you have seen, has been in the Chamber for several days. I should explain that this courtesy would have been done him and the Assembly had he been presented on Friday, when he was otherwise engaged. However, Mr. Koester is with us now.

**WELCOME TO STUDENTS**

**Hon. J.H. Sturdy (Saskatoon City):** — Mr. Speaker, on your behalf and on behalf of the members of the Assembly, I wish to extend a very hearty welcome to our visitors from the University of Saskatchewan. These are members of the University Debating Directorate, and also members of the International Students' Union. I understand that 65 to 70 came down on the buses, and if they haven't all arrived here, I expect they will in due course. We sincerely trust that your visit with us this afternoon will be most interesting and instructive. I should warn you, however, to take with a grain of salt all the criticism of the Government you may hear, this afternoon.

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I am also delighted to welcome the students of grade eight from the Grosvenor School, Saskatoon. There are 40 of these students with us, and we also trust that they will have a very pleasant time during their visit to Regina and to the Legislature. I also wish to welcome Mr. Wadene, their principal.

### **SPEECH FROM THE THRONE**

### **DEBATE ON ADDRESS-IN-REPLY**

The House resumed from Monday, February 15, 1960, the adjourned debate on the proposed motion of Mr. Thorson (Souris-Estevan) for the Address-in-Reply to the Speech from the Throne:

**Mr. A.H. McDonald (Leader of the Official Opposition):** — Mr. Speaker, before I adjourned the debate yesterday afternoon, I congratulated the new member for the constituency of Kinistino, and also congratulated the mover and seconder of the Address-in-Reply. I don't think that I could add anything to those remarks of yesterday. However, at this time I would like to extend a welcome to the students from our university who are with us this afternoon. I don't know whether it is because I happen to be the speaker here, this afternoon, that some 30 or 40 of them are missing at the moment; but I couldn't blame them if that was their excuse. I would also like to welcome the students in the Government gallery behind me from the city of Saskatoon.

The hon. senior member from Saskatoon has mentioned that perhaps the students should "use a grain of salt" when they are digesting some of the material that I will endeavour to use, this afternoon. However, I can assure you that, if it was a Government speaker you were listening to, salt would not be a strong enough antidote to overcome the propaganda that would emanate from that particular source. I sincerely hope that all of the students present will gather a little more out of the discussions here, this afternoon than my youngest son gathered from a speech I was making at one time, a public address that he attended with his mother. My youngest son and his mother were sitting in the back of the hall, and I was holding forth at great length, and my youngest son was about the poorest listener in the audience. I have an expression that I use quite often, and that expression is: "Why on earth"; and when I said this "why on earth", my youngest son turned to his mother and said: "Mummy, what is that Daddy said about Wyatt Earp?" I hope the students will gather a little more than my son did on that occasion. However, I want to warn you that my son at that time was only five years of age, and hadn't begun his education, whereas you, on the other hand, are university students and now concluding your education. I sincerely hope that your stay with us this afternoon will be enjoyable, and that you will be able to take something back to the university with you that may be helpful to you at a later date.

I would like to reply to some of the remarks made yesterday by the mover of the Address-in-Reply. I am pleased that he has seen fit to correct one of the statements that appeared in the press; but his correction even makes the statement more ridiculous than the original. The facts are that the contributions of the Provincial Government for education purposes in this province, on a percentage basis, have remained almost constant down through the years at a rate of some 40 per cent.

**Government Member:** — That's not true.

**Mr. McDonald:** — You can shake your head till it falls off, and you'll probably look better, but it was. I sincerely hope that, in the announcement from the Speech from the Throne, this year, of an increase in school grants, this increase will be such as to bring the portion of the total educational cost borne by the Provincial Government up to somewhere near the promise that the Government made when it took office some 15 years ago. At that time they were committed to a program of paying the full cost of education out of provincial revenue. They stated at that time that the responsibility of education rested upon the shoulders of the Provincial Government, that Canada's Constitution places it there, and that they were prepared to accept that responsibility. According to the statement of my friend opposite, they haven't yet implemented that plank in their program, and I would suggest that they are very little closer than they were the first year in power in this province.

I also noted yesterday that my friend from Souris-Estevan referred to the Saskatchewan Power Corporation as an example of public ownership giving service at cost. Now, Mr. Speaker, that would be the definition of a public utility. The meaning of a public utility is the service that is owned by some governing body, be it municipal, provincial or federal, providing a service for their people at cost; but this is not the case with the Saskatchewan Power Corporation. I have in my hand the annual report of the Saskatchewan Power Corporation for the year 1958, and in that report we will find that the total revenue from all sources of the Corporation, for the year 1958, amounted to \$28,326,000, but out of that revenue the Corporation made a profit of \$3 1/3 million. To me it is a might poor utility that, with an investment of hundreds of millions of dollars, is only doing some \$28 million worth of business in a year, garners to itself in profits \$3 1/3 million. What does it mean? This means that this so-called utility could cut power rates both in electricity and natural gas by 10 per cent, and then they would be in the category of a public utility.

**Hon. Mr. Brown:** — Oh, don't be so childish!

**Mr. McDonald:** — If they were to cut rates by 10 per cent they would still have a meagre profit, and I believe a public utility should have a meagre profit, but I do not believe that a public utility should be having a return on their annual business of almost 12 per cent.

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One other statement my hon. friend made yesterday was that local government changes would only be made with the support of local government and the support of local people. On the other hand, we have been told that we do not need a plebiscite, for instance, to decide whether the people of this province want a prepaid medical plan or not; but we don't need a plebiscite to decide whether we want larger units of municipal administration or not. The Premier and his colleagues have continuously told us that they will consider the next provincial election a plebiscite. This Government and the hon. member from Souris-Estevan, yesterday restated the case, that, if such a thing happened (and I don't think it will, but that if it did) if this Government were re-elected, the next time they go to the country, that election will be considered to be a plebiscite and we will have larger units of municipal administration whether we want it or not.

**Some Hon. Members:** — Hear, hear!

**Mr. McDonald:** — In my humble opinion, I do not believe that such drastic changes should be made without first taking a vote of the people concerned. I believe this is to be true as far as the medical care program is concerned. You will recall, the first political party to advocate prepaid medical services in Saskatchewan was the party to which I belong, the Liberal Party.

**Opposition Members:** — Hear! Hear!

**Some Govt. Members:** — Ha! Ha! Now you're really making them laugh!

**Mr. McDonald:** — Mr. Speaker, we are not prepared to take the provincial election as a plebiscite as to whether people want medical services or as to whether they do not. We are not prepared to take the provincial election as a plebiscite as to whether we want larger municipal units or not. We believe that the facts ought to be made available and then a vote of the people concerned should be held.

I was glad that my friend corrected the statement that appeared in the press. I was hoping that, when he got on his feet this afternoon, he was going to withdraw some of the remarks he made yesterday when he was chastising the Opposition, for I am unable to agree with him and his party on certain policies with regard to the party he represents.

You know, it reminded me of the story they tell about Mark Twain, who, at a young age, left home. His reason for leaving home was that he said his father was stupid. He remained away from home for some five or six years, and on his return, on discussing things with his father, he said he was surprised that his father had learned so much in the last five or six years. Well, I think the hon. member for Souris-Estevan is in a similar position, in that his outlook will change in the next five or six years.

What is the record with regard to municipal taxes in the province of Saskatchewan? I wonder how many people realize that, last year, the municipalities in the province of Saskatchewan collected some \$73 millions in property taxation. In the same year, the Provincial Government collected approximately \$72 million in all the sources of revenue that they had, and, of course, the major sources of revenue include the Education and Hospitalization Tax, the Gasoline Tax, motor licenses, royalties on oil and other minerals, and other numerous fees and privileges. Well, here we have a case, Mr. Speaker, of the Provincial Government out of all these taxes only collecting some \$72 million, while on the other hand, from one tax source alone, namely property taxation, the municipalities found it necessary to collect more money in order to fulfil the responsibilities that have been placed on their shoulders in the sum of \$73 million, or \$1 million more than was collected by the Provincial Government.

What does this mean? This means, Mr. Speaker, that, with the exception of Ontario, we have the highest per capita property tax of any place in Canada — and we can hardly compare ourselves with Ontario. You have such large cities as Toronto, Windsor, Hamilton, Ottawa, London, situated in the province of Ontario; cities in which are located the headquarters of many of Canada's largest companies, many of them doing a good deal of business in Saskatchewan, and large taxpayers, large property taxes; but in this province of Saskatchewan we have forced our municipalities into a position where they are collecting, on a per capita basis, more money than any other province in Canada, with the exception of Ontario. We do not believe this is good enough. We believe that there are certain measures that must be taken if we are going to treat our municipalities fairly, and it is obvious, in the figures that I have just used, that the municipalities have not received the fairest treatment from our Provincial Government.

I was also rather interested in another statement made by the member for Souris-Estevan. You will recall, Mr. Speaker, when he said that the Provincial Government now, on the average, was paying about 60 per cent of the construction of our grid roads. That is true. And he said that the municipalities were asking for only 50 per cent. I wonder if he hasn't been reading the resolutions that are being presented and passed at municipal conventions over the last several years. The municipalities are asking the Provincial Government to carry at least 75 per cent of the construction costs of the grid roads. We in the Liberal Party believe that that request ought to be met, and we, as a party, are prepared to meet it upon election.

He also referred to the tremendous problem confronting this province, in regard to the construction and maintenance of our highway system, and I agree with him. We have a tremendous problem in Saskatchewan, because of the tremendous road system that exists in Saskatchewan. There are some 8,200 miles in the provincial highway system, and it is a burden on the province and its people to build and maintain an adequate highway system in the province. But I wish he had gone on and just compared this problem with the problem which confronted our municipalities. Our rural municipalities have an improved

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road system not of 8,000 miles, but of 98,000 miles. Ninety-eight thousand miles of road! Think of the responsibilities of the municipalities, and the rural municipalities in this province. That's twelve times the mileage of our highway system. So we must not forget that we not only have a problem of building good highways and maintaining them in the province of Saskatchewan, but that our friends in the municipalities have an even greater problem. We are convinced that part of the responsibility must be lifted from the shoulders of the municipalities, or else additional revenues must be made available to them, so that they will be in a position to build and maintain the roads that are necessary throughout the rural portions of the province of Saskatchewan.

I was rather surprised that there is no mention in the Speech from the Throne of the Royal Commission on Agriculture and Rural Life or the Continuing Committee. I was more surprised when there was little or nothing said about it by the mover or the seconder in the Address-in-Reply. You will recall, Mr. Speaker, that prior to the 1956 election, I had promised the people of this province that, if the Liberal party were elected, we would call a municipal-provincial conference to sit down and discuss the many varied problems that confronted the municipalities, the schools within the municipalities, hospital boards and so on, and that we would endeavour to work out with them some solution to the problems that confronted them. Well, of course, the Government in power set up a Royal Commission on Agriculture and Rural Life, and they called what they called a conference, here in this Chamber. To me it wasn't a conference; it was a sort of a "brain-washing" session, where the people representing local governments were brought in here and given lectures by Cabinet Ministers and other government officials, and then a Continuing Committee was set up.

This problem was being aired in 1955. This is 1960. What is done about it? The problems that existed in 1955 still exist. We are no closer to solving those problems than we were back in 1955. Yes, indeed, the problem is worse. It has grown in the past five years. How long is the Continuing Committee going to continue? Maybe there is some need of change in municipal boundaries; I don't doubt it. But the main problem that is confronting our municipalities today is the financial problem, and I don't care where the boundaries are.

**Opposition Members:** — Hear! Hear!

**Mr. McDonald:** — Until that financial problem is solved it matters not where the boundaries are. The municipalities were told, in this Chamber, by no less a person than the Provincial Treasurer, that unless you are prepared to alter your boundaries, you won't get any more money. I do not believe that this problem can be allowed to continue. The problem was great enough in 1955 and is even greater today. What we need is action — not a Continuing of Committees. I know that the problem that has been assigned to the Continuing Committee is a tremendous problem. I agree. The problem is getting even greater; but the sources and the information that was garnered back in 1955 is out of date today. Perhaps now we need another Royal Commission

to get some more data to bring the Continuing Committee up to date. I don't know. This is nothing but procrastination on the part of the Government. They are not prepared to face up to the issues until after the provincial election, and then changes will be made without consultation with the people concerned.

**Opposition Members:** — Hear! Hear!

**Mr. McDonald:** — Turning to the Speech from the Throne, Mr. Speaker, there are many bits and pieces of legislation proposed in the Speech, and I do not intend to deal with those today. The reason for that is that legislation is forecast, and until such time as that legislation is made available to the members of the House, I don't think it would be very wise for me or anyone else to discuss something that has not been placed before us. Therefore, there are certain issues in the Speech from the Throne that I will reserve my comments on until such time as the legislation has been tabled. However, the Speech is a little different than it has been in the past few times, which the University students will need a little more than a grain of salt to be able to swallow.

The Government has now been in power for sixteen years. In this time they could have instigated a program which the rural population could have used to construct new homes. National housing has been available to city people and a tremendous help to people who live in urban areas. But the rural population needs similar help, and I can think of even one farm that I own myself. I have put electricity into that farm, but I doubt if the home would be worth the installation of sewer and water. It costs the farmer, or anyone else, a thousand dollars to \$1500 to put electricity into his home, but it is going to cost much more than that for sewer and water, and you could arrive at a position, Mr. Speaker, where the installation of sewer and water together with electricity would be worth far more than the home is worth. Sure, modern facilities should be made available to rural people, but I am wondering if it wouldn't have been better if the facilities had been made available to some people who live in our rural areas to construct a new home before this program was brought into being. However, if the Government is re-elected (which I doubt) I wish them well in this program, because the rural people are entitled to the same services and conveniences as people who live in urban centres.

I was also pleased to note in the Speech from the Throne that finally the Government is prepared to do something about the rural telephone in our province. I happen to be a shareholder in a rural telephone company. We have found it most difficult in the past to build and maintain our telephone lines. We find that paying the connection fee we have to pay often takes almost all of our revenue. The Provincial Government for years has controlled, maintained and operated that part of the telephone system out of which great revenues can be derived. They have not carried their fair share of telephone construction and maintenance in the rural areas. Again I contend that the people who live in the rural areas are entitled to these privileges and services which people who live in the towns and cities of our province receive.

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The Speech from the Throne refers to school grants. I can only repeat what I said earlier, and that is that increase in school grants will not only keep pace with the increased costs, but that it will mean that the share being carried by the Provincial Government will be increased.

All of the progress announced in the Speech from the Throne is not going to put money into the poor farmers' pockets. They are not going to relieve the cost-price squeeze, or any part of it. As a matter of fact, crop insurance is going to add to the farmers' costs. I am sure we will all admit this. Sewer and water is going to add to his costs. Rural telephones will help. I don't imagine that the contribution of the Provincial Government will be such that the users of rural telephones will have the services lessened. I think they will have better service. It isn't going to save them any money. School grants I hope, will be large enough that it will mean a decrease in taxes for school purposes, but I doubt it.

The program with regard to grid roads announced in the Speech from the Throne is an election program. They say they are going to help regravell some of the roads that were built at the beginning of the program but now need to be regravelled. Then they say they are going to accept the responsibility to see that these roads are gravelled in the future. This is nothing but an election dodge, because we are faced with an election this year. If they mean it, why didn't they come out and say they will accept the responsibility for seeing that the gravel is placed on the grid roads in 1960, 1961, 1962 and on into the future. No, Mr. Speaker, it is only because 1960 happens to be an election year.

What are some of the items that I believe should be included in the Speech from the Throne that would have helped out in the cost-price squeeze? There is little we as a Provincial Government can do about depressed prices and lost markets. Not too much. That comes under the Government of Canada, but the cost-price squeeze does not entirely come under the Government of Canada.

**Opposition Members:** — Hear! Hear!

**Mr. McDonald:** — Part of the cost-price squeeze has been created and maintained by the Government that sits to your right.

**Opposition Members:** — Hear! Hear!

**Mr. McDonald:** — But when we make a suggestion that would help a little bit in the cost-price squeeze, what happens? "Oh", the Government says, "Why, that would cost us a million dollars." On the other hand, they said it would not be of any use to farmers — why, it's peanuts! They can't have it both ways. If it is going to cost the Treasury a million dollars, I suggest it would be beneficial to the farmers, and I am referring to the use of purple gas in farm trucks. Suppose it costs the Provincial Government a million dollars, so what? I think that the farmers are entitled to a little help from the Provincial Treasurer. It isn't going to solve any



farmer's problems to allow him to use purple gas in his truck, but if it means the distribution of a million dollars of currency to Saskatchewan farmers, I think it will help; and as far as I am concerned, and as far as the Liberal party is concerned, we are prepared to allow the use of purple gas in farm truck, not only for business purposes, but for all purposes. Some people seem to think that it would be a terrible thing for the depressed farmer today, caught in the cost-price squeeze, to be allowed to take his wife to the cinema with purple gas in his truck, or to drive into Regina to do his shopping. Some bad people seem bent on extracting every last nickel out of the farmers. He should be able to take his wife to church on Sunday, using purple gas. The hon. member for Souris-Estevan said, both in the Legislature and on television, that improvement in the road system saves the farmers more money each year than they could possibly realize from burning tax-free fuel in their trucks. If you were to cut out even a small part of the waste and extravagance which goes on under this administration, why, man, you would be able to allow the use of purple gas and increase expenditures on the road system in addition.

What are some of the wastes? Some of the people, I think, do not even look at the annual reports tabled in this House. I think the hon. member for Pelly (Mr. Barrie) mentioned this in the House a year ago, but I think it is worth mentioning again. You will recall, Mr. Speaker, we had some rest rooms built out here on the grounds, 20 feet square for "him" and "her". It cost this Government \$14,000 to build a two-section restroom 20-feet square. The expenditure of \$14,000 on a building that is 20-feet square everybody in Saskatchewan understood, but if we were to look at some of the millions that have been squandered by this Government, it is difficult for the people to understand, but literally millions of dollars have been poured down a rat hole by the present administration. The implementation of this plank in our program would not affect the amount of money that was made available for construction of highways or grid roads or any other kind of roads in Saskatchewan.

We have also advocated that the three cent an acre mineral tax should be abolished. Well, some people have said: "Three cents an acre — what's that?" Well, I'll tell you what it is, Mr. Speaker. Take their own annual report of Mineral Resources. Last year they collected \$831,000. I know that a lot of that did not come off the land that is owned and operated by farmers. Some of it came off land that is owned by large corporations, and I think they can afford to pay the mineral tax. I do believe that bona fide farmers ought to be exempt from this. What does the report say in regard to the collection of this three cents per acre? "The acreage tax on free-hold minerals at three cents per acre per year continues to absorb most of the staff time." Apparently most of the staff are prepared to devote their time and energy to extracting the last nickel out of the poor farmers of this province. They collected \$831,000 last year, and this compares to \$431,000 of the Production Tax. Once they get an area into production, and they start paying a Production Tax, at least you know what you are paying it on; but they only collect half as much money from that man as they

do from the three cents an acre, when they don't know what they are collecting it on. We are prepared to throw it out the window, and I can assure you that the hucksters will be standing there, ready to grab it.

What about the return of this \$500 to our farmers for the capital cost of construction power lines in the province? The Government is beginning to change its attitude. When we first mentioned this, we were criticized to no end, but over the last year or so, the Government is changing to our way of thinking. In fact, the Minister in charge of the Saskatchewan Power Corporation (Hon. Mr. Brown) is changing his tune. I suppose, if we talk long enough and loud enough about this injustice and charge to the farmers, something will be done about it. The Minister in charge of the Saskatchewan Power Corporation has said that the Government would never oppose reimbursing this charge.

**Mr. W.J. Gardiner (Melville):** — They promised that.

**Mr. McDonald:** — I can think of some of the arguments that have been put up from time to time as to why the Government couldn't do this, and now we find out that they were never opposed to it. The only reason they don't return it — well, he says, it might bankrupt the Corporation. Did you ever hear such nonsense?

Let us turn back to the Annual Report of the Power Corporation. We find in the Annual Report that we have a sum of some \$1 million that is listed as a contribution in aid of construction, and it is listed as a liability. When the Minister and his officials were questioned in the Crown Corporations Committee as to where this money came from, we were informed this was the money the farmers had put up to pay their half of the capital cost of constructing power lines. Yet agriculture is a depressed economy in Saskatchewan, even the most depressed in Canada, if you want to go that far; but who is asked to pay for part of the financial build-up of the Saskatchewan Power Corporation? The most depressed industry in Saskatchewan, agriculture! They are the only people called to pay part of the borrowed money of the Power Corporation: \$31 million. Man, oh man! If the Power Corporation are in such desperate straits and they think that one million dollars is going to bankrupt them, then I feel sorry for them; but I feel a lot more sorry for the farmers who are living under depressed agricultural conditions. The Government in power in Saskatchewan has never implemented anything that did not add to the burden the farmer is carrying already.

Even private enterprise, Mr. Speaker — the terrible outfit known as “private enterprise” — even they are reimbursing the farmers for the capital costs for the construction of power lines. I refer to the National Light and Power Company in Moose Jaw, and it looks like the Power Corporation is going to buy them up. Well, if they have to pay \$2 million for a plant in Weyburn, I wonder what they expect to pay for the National Light and Power in Moose Jaw! After they have bought that, I wonder what they are going to do

with the other utility, or so-called utility, in the city of Regina. Are they going to buy it? They will probably have to go back to the farmers and borrow some more money in order to pay for these additions to your so-called utilities. They are not utilities; they are barnacles!

The National Light and Power in Moose Jaw is a private concern. They generate and distribute electricity to the city of Moose Jaw and to the rural area around. When they extended the services of power to the farmers in that particular area of our province, they were compelled by the Saskatchewan Power Corporation to charge the same rate for the installation of power, that is for the capital costs, as the Saskatchewan Power Corporation were charging: the same rate, approximately \$500. What are they doing now? The National Light and Power are reimbursing every farmer each month \$2.50. Well, you know, this socialism is a wonderful thing as long as you are not the thing which is socialized. For here we have the "hucksters" and the "quick-buck artists" prepared to share part of their revenues and part of their earnings with the farmers of our province, prepared to carry their fair share of the depressed agricultural conditions under which we live; but, oh no! Not the friends of the farmer that we have here! They wouldn't give them two cents a month let alone two dollars and a half! We feel that this program is worthwhile. If the farmers cannot be reimbursed in total with the sum of \$500 in cash, well, then, do it some other way. I don't care how you do it, but do it now.

Another thing we would like to see set up is a revolving loan fund, which could be made available to our municipalities and local government. This has been advocated from time to time, especially by my seatmate, Mr. Cameron (Maple Creek), but nothing has been done to date so far.

We believe that the contribution toward the grid road system should be increased up to 60 or 75 per cent. We believe that the maintenance of the grid road system should be carried at least 75 per cent by the Provincial Government and 25 per cent by the municipalities. If I were Hazen Argue, I would try to make it 125 per cent, but I am not as foolish as some of your colleagues.

We also believe that, because the rural municipalities and school boards are finding it increasingly difficult to maintain a winter road system in order to transport their children to school, and indeed, for them to get into their local centres, some help should be given by the Provincial Government for snow removal on grid roads and main market roads in our province. We also believe that a larger share of total education costs should come out of Provincial Government resources.

The programs we believe in would help with this cost-price squeeze. Nobody is foolish enough to say that, if the Provincial Government were to use all the power they possess under the Canadian Constitution and all the revenue they have at their disposal, they could solve this cost-price squeeze that exists on our farmers today. No one believes that; but I believe, and

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the party I belong to believes that if we, as a Provincial Government, were to go as far as our constitution and our financial resources allow, then we would be adding tremendous weight to the farm organizations and to governments who are constantly requesting Ottawa and the National Government to make certain moves that would help in the cost-price squeeze.

The second paragraph of the Address also deals with the population of the province of Saskatchewan. They seem to be highly elated with the fact that we are supposed to have 910,000 people in Saskatchewan. The latest C.C.F. figure is 907,000 — but I am not going to argue about a thousand or two; it's neither here nor there. We had an increase in our total population last year of 10,000 people, but we ought to have had an increase, not of 10,000 people, but of 30,000 people. In the period this Government has been in office, 1944 to 1959, we have had a total increase in our Saskatchewan population of 71,000 people; but in that period our natural increase in Saskatchewan has been 250,000 people plus 50,000 immigrants, which would mean a total of 300,000 people. Our population from 1944 to 1956, if we accept the people of Saskatchewan who were born here, and maintained our immigrants who moved in here, we would have had an increase in our population of 300,000 people, but we only had an increase of 71,000. That means that in 16 years, 229,000 people picked up their luggage and moved out of Saskatchewan.

**Mr. Danielson:** — That's right.

**Mr. McDonald:** — Two hundred and twenty-nine thousand people! Do you know what that means? That simply means that the populations of the city of Regina, Saskatoon, Moose Jaw and Prince Albert combined, have moved out of these four cities in the last 16 years. This happened in a time when Canada's population was increasing by leaps and bounds. During this same period, Canada's population increased by 47.7 per cent. If Saskatchewan had had its fair share in this increase in population, we would not have a mere 906,000 people in Saskatchewan today; we would have 1,235,000 people in Saskatchewan.

In the Speech from the Throne, the Government is highly elated because it is 907,000. They think it is perfectly natural if people continue to move out of this province in droves, and that is exactly what they have done and are continuing to do.

I would like to turn to the Vital Statistics reports of 1951. There was some reference made here today, to the fact that people had moved out of the province under other governments, the same as today, which is true. I want to refer to page 9 in the report for 1951. (The period referred to by my friend yesterday, I believe, was 1936 to 1951). I want to read this paragraph:

“The growth of population in this province since the turn of the century has been of a different character than the population growth

for Canada as a whole. Table 1, figure 1, demonstrates that Canada's population has increased at a fairly constant rate since 1901. Saskatchewan, on the other hand, experienced a more rapid rate of growth than the country as a whole from 1901 to 1931 — a levelling off from 1931 to 1936, and a decline from 1936 to 1951."

I will say more about that later. This is "Saskatchewan Vital Statistics" of 1951. The same report for 1954 at the top of page 81 says this — the Government of Saskatchewan, Mr. Speaker:

"Saskatchewan is known for the great mobility of its population."

How true! It seems that when they get in here, everybody buys a bicycle and gets out as fast as he can.

Then we will turn to 1957 and we have a repeat: Saskatchewan is still known for the great mobility of its population. How true, how true! Now, if we will turn to page 32 of the Stanford report — and I must admit, Mr. Speaker, as this report was only tabled last Friday (I am not blaming anyone for that), it has not been possible for me to put in the study and the work that I would like to on this report, before I had to make this address. There is a wealth of knowledge in the report and a lot of it, as far as I am concerned, is pertinent and good information. I am a little disturbed with the condensed version of this report that is going to be given general distribution and, again, I have only glanced through this report; but today it contains only the favourable highlights of the larger report, and none of the detrimental comments of the larger report so far as the Provincial Government is concerned. I only wish that the report in its entirety could be given to us now.

I want to refer to the population table on page 32, and we will find that certainly there was a movement of people out of this province, and a considerable movement, in the late 'thirties and early 'forties. There is quite a just reason, and I would think that everyone on that side of the House will agree with me, that in the late 'thirties we had a worldwide depression, but in Saskatchewan as well as the depression we had grasshoppers, we had drought, we had wind, we had almost everything we did not need or want, and the C.C.F. even grew up in this period, and that period was followed by a World War. Under those conditions, and under unemployment not only in Saskatchewan, but throughout Canada and the whole western world and which extended from one end of Canada to the other, you had a build-up of people on the farms and in the small towns, for young men and young women remained at home and lived with their parents because they had no place else to go. There were no job opportunities in Canada, the United States or anywhere else, and we had this tremendous build-up.

Then, Mr. Speaker, what happened? We got ourselves involved in a World War and we found that job opportunities became available overnight. We found that a tremendous number of our young men and women went into the armed services, not only in Saskatchewan, but from all parts of Canada, and certainly we had a reduction in our population. Who would expect otherwise under those conditions? But this has not been the situation from 1944 to date. Agriculture has passed through one of the better periods of its history, and when I refer to that fact, I wish the members would refer to the table in the same report on page 56 which gives the vital statistics. I don't think it would take too much of a magician (and I am not blaming the Provincial Government for this) to see at a glance that there is a direct relationship between the price of wheat and the movement of people out of Saskatchewan. If we have high-priced wheat, we maintain our population. Just as soon as the price of wheat starts to go down, out go the people from Saskatchewan. This proves to me that Saskatchewan's main source of revenue, and main source of supply to its people, to its government come out of agriculture, and comes mainly out of wheat. Something must be done in the immediate future if we are going to rectify this problem in Saskatchewan.

The second paragraph of the Speech from the Throne also refers to non-agricultural industry and manufacturing, and again, in glowing terms I am sometimes a little bewildered by the attitude of people who will not see. It is not people who can not see; it is people who will not see. Let us review the record and find out just what is happening in Saskatchewan as far as industry is concerned, and as far as manufacturing is concerned, or any other non-agricultural enterprise. We have had some growth in Saskatchewan, but it is only a drop in the bucket compared to what is going on around us. I would not attempt to compare Saskatchewan with the great industrial areas of Canada or the United States. We could not expect to compare ourselves with them. I think however, we should be able to maintain our position and to compare favourably with our neighbouring province. I have said before, and I want to repeat, that the province of Saskatchewan has very similar natural resources to our two neighbouring provinces. We have similar people; the climate is similar. The only great difference between the three prairie provinces is the Government.

**Hon. Mr. Douglas (Rosetown):** — There aren't any Liberals!

**Mr. McDonald:** — I always think that a fair estimate of what is going on in an industry is the number of people employed in that industry. So I want to refer to manufacturing.

In November, 1958, there were 12,500 people employed in the manufacturing industry in Saskatchewan. These figures were supplied to me by the Stanford Report — 12,500 people. In 1944, which is sixteen years ago, there were 12,361 people employed in manufacturing in Saskatchewan. Now, after sixteen years of tremendous growth, with "vitality in every direction" — everything is moving; we have 139 more people employed in manufacturing in Saskatchewan than we had sixteen years ago. This means that, under the

planned economy experts who sit opposite, under these great friends of the co-operative movement, and the free-enterprise movement and some other kind of movement, we have been able to attract nine people per year additional employees into the manufacturing industry. Progress! If I could not single-handedly attract more than nine people into the manufacturing industry per year, I'd give up the ghost. Nine people per year — but in the Speech from the Throne, everything is wonderful. As I say, there are none so blind as those who will not see.

Let us turn to another set of figures, and I may mention that the figures I used for 1944 came from the Dominion Bureau of Statistics; the figure 12,500 for 1958 comes from the Report of the Stanford people. I want to refer to another set of figures, to the monthly figures, and they can be found under the “employment payroll” of the D.B.S. for 1959. The number of people employed in the manufacturing industry in the three prairie provinces in November, 1959: in the province of Manitoba there were 39,285 people employed in the manufacturing industry; in Alberta, there were 31,763 people employed in the manufacturing industry; in Saskatchewan, there were 10,379. I repeat, Mr. Speaker, we are not anywhere near keeping pace with our neighbouring provinces.

Some people complain when you only talk about the number of employees in the manufacturing industry. Let's take all industries, and when I say all industries, I want to refer to those industries, the chief industries: employees in mining, manufacturing, storage, communication, public utilities, wholesale and retail trade, finance, insurance, real estate, transportation, construction, and service industry such as restaurants, hotels, laundries, and what-have-you. In November, 1959, in the province of Alberta there were 159,568 people employed in these industries. In Manitoba there were 137,745; in Saskatchewan there were 69,362.

If that isn't enough we'll use another yardstick — the investment in the manufacturing industry. Now these are the “intentions”, for the year 1959 — I haven't the exact figures; but the intentions were that there would be \$86.6 million invested in the manufacturing industry in Alberta in 1959. Remember that figure — in Alberta, \$86.6 million; in Manitoba, \$71.4 million; in Saskatchewan, \$23.3 million. How do we compare with our neighbours? One could go on and use many other examples, but, Mr. Speaker, I think you would sooner be one of us as we look at our local community. Those people who are listening on the radio today — I wonder if they believe that their town is progressing at an unprecedented rate.

How many of our towns large or small are growing, their activities increasing? I have had the opportunity of travelling around Saskatchewan a good deal in the last four or five years. It is my experience that many communities in Saskatchewan are going in the wrong direction. You can drive down the main street of many good little towns in our province, and find that a lot of the shop windows are boarded up. Is this prosperity? Is this progress?

Is this a diversification of our industry and our economy? No. I am sure the people of this province, if they look about themselves and compare what is going on here with what is going on elsewhere, they themselves can come up with the answer to this particular problem.

We have another set of figures that we can use to demonstrate what is going on, and this figure is often used by members opposite — the figure of the value of manufactured products. I note that the member for Souris-Estevan mentioned, yesterday, that the value of manufactured products in Saskatchewan for the year 1959 had increased to \$342 million, and I have no dispute with that figure, although I did not have it available prior to yesterday. But if the value of manufactured products, last year, only amounted to \$342 million then, again, it is not very good progress. The value of manufactured products away back in 1944 was \$175 1/3 million. But we all know that the value of a dollar has gone down, and if you want to get a true perspective of the two figures, you must convert this \$342 million into constant dollar values. This would mean that, last year, the value of manufactured products in Saskatchewan stood in constant dollars at \$185 million compared to \$172 1/3 million some sixteen years ago. We have an increase of some \$10 million in the value of the products produced in a period of 16 years. I don't believe that that speaks too well for the Government to your right.

**Mr. W. J. Berezowsky (Cumberland):** — At least we're holding our own.

**Mr. McDonald:** — I was amazed in reading the Speech from the Throne, that there was no reference to pulp mills. What happened to these pulp mills that we were going to receive in the last number of years?

You will recall that, on numerous occasions in the past and especially just before a provincial election announcements were made of the building of a new pulp mill in Saskatchewan. You will recall that, just a few short days before the 1956 election, the Premier (no less) with his friend, Mr. Campbell, announced that there was to be a new pulp mill in Prince Albert. It was headlined all over the paper. You could not turn on the radio or the television set but there it was. They even had it estimated how many people were going to be employed; the number of kilowatts of electricity they were going to use; and they were going to have to build a dam in northern Saskatchewan to give electricity to supply the plant. It was a tremendous announcement. The people in Prince Albert threw their hats in the air. Their hats were in the same place as the pulp mill — up in the air! What has happened, Mr. Speaker?

Sessional Paper No. 79, tabled in this House in the 1957 Session, shows that no agreement ever existed to build a pulp mill. There was an option given on some timberland so they could look around. Well, I am amazed that we haven't given another option to somebody else. Who no pulp mill? You know, I was convinced that the Premier would not use that again in this



election: it is kind of worn out. Nobody believes him or anybody else that we are going to get a pulp mill, but lo and behold, when he came back from Europe and was interviewed, he said that we may get a petro-chemical plant. British and Italian interests were thinking pretty seriously about building a petro-chemical plant. He wouldn't dare to have promised a pulp mill, so he is going to try a petro-chemical plant.

Well, Mr. Speaker, what does the Stanford Report have to say about pulp and petro-chemical? They exactly what the Liberal Party has said for many years. While these people have sat here and diddled and fiddled with socialism, let these industries grow and prosper in our neighbouring provinces and capture our markets, we warned them that it was becoming more difficult for these same industries to locate in Saskatchewan. That is exactly what the people are prepared to support.

**Mr. Loptson (Saltcoats):** — Hear! Hear!

**Mr. McDonald:** — We only have a certain market here in the prairies, but Saskatchewan is located in a more favourable position than either of our two neighbouring provinces to serve that whole market. If industry locates in Calgary or Edmonton, it is only a few short miles to the foothills where you have a barrier to the prairie market. By the same token, if industry locates in Winnipeg, it is only a few short miles to the Head of the Lakes where you have another national barrier to the prairie market. But if that industry locates in Saskatchewan, it is a long way to the foothills, and a long way to the Head of the Lake, and we are sitting in the middle of the market. But oh, no! When the time was opportune and the money was available for these investments, what happened? This outfit were sitting here dreaming about crown corporations, damning free enterprise for all they are worth, and we were left holding the bag.

You will recall that some few years ago, I questioned the Premier as to why it has not been possible to attract the pulp industry into our province, and he replied that one of the great reasons was the fact that we were too far removed from the large markets. That being the case, I would think that it would hold equally true in Alberta; but since that question was posed and the answer given, three pulp mills have been built, or two have been built, and another has been announced, in the province of Alberta. Alberta West Forest Products have built a new pulp mill; Grand Prairie Pulp Mills Limited has been built, and now it has been announced on February 10th that Alberta Pulp Mills Limited will construct a mill worth some \$50 million in that province. You will also recall that, at the same time, I asked why we did not have a petro-chemical plant. The Premier said that we were too far from the raw product and the natural resource that was necessary.

The Stanford Report says: "Saskatchewan has an abundance of raw materials to supply a petro-chemical plant." Why haven't we these plants

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in Saskatchewan, Mr. Speaker? Again, I repeat, our natural resources are similar in the three prairie provinces; our people are similar, our climate is similar. The only difference is, we have a socialist government in Saskatchewan.

**Mr. McCarthy (Cannington):** — Hear! Hear!

**Mr. McDonald:** — Under the Socialist Government the only major industry that has been attracted to the province of Saskatchewan is the steel mill that is now under construction, and I sincerely hope that, when that steel mill goes into production, its effect on Saskatchewan's economy will be far better than that of the cement plant. All hon. members will recall the glowing terms in which the Provincial Treasurer announced the cement plant. This was going to be the answer for those people who needed cement in Saskatchewan. What has been the results? A barrel of cement costs more money in this city of Regina today, with a cement plant sitting on our doorstep, than it costs in any other community in the North American continent.

**Mr. Loptson:** — Hear! Hear!

**Mr. McDonald:** — What is the price of a barrel of cement in Regina? \$5.90 a barrel. What's the price in Winnipeg? \$3.41. What's the price in Edmonton? \$3.41. Two dollars and ninety-one cents at Exshaw. This cement plant in Regina has been sold to one of the larger companies which, last year, made a considerable profit, and it is my understanding that 50 per cent of the profits of that company come out of the cement plant that sits out here just outside the city limits of Regina. Out of the pockets of the consumers here in Saskatchewan, the people of Regina . . .

**Government Member:** — Free enterprise, for you!

**Mr. McDonald:** — Free enterprise destruction! You are the people who put up the money, guaranteed the bonds to build these industries. I sincerely hope that when this steel plant goes into production they will not be repeating what the cement plant is doing, but that they will have a factory door price. These people should be supplying this product to Saskatchewan people at a fair and a just price, but that has not been the case. The resources of this province have been pledged in order that these people may build new industries in Saskatchewan; but we are not getting the benefit we are entitled to. Is it any wonder that our cost of living is where it is? All one has to do is look around. You can buy exactly the same type home in the city of Calgary or Edmonton, in many instances, that exist here in the city of Regina, built by the same company. The home will cost you \$3,000 more in Regina than it would for the same type of home in Calgary. Is it any wonder? Cement only costs \$2.91 there and it would cost \$5.90 here. Have you ever picked up the daily newspaper, Mr. Speaker, and looked at the price of foodstuffs in Winnipeg, Calgary, or Edmonton, and compared it

with Regina? Every living thing that you can do in this province costs you more money to do than it does in our neighbouring provinces. Why? The only difference is the Government that is in power. Sometimes we forget about all the industries that have located in this province down through the years, and have made a tremendous contribution to the development of our province. I can refer to the oil refineries that have been here for many years, flour mills, packing plants, sawmills, planing mills, sash and door factories, printing and publishing companies, processing of dairy crops. These industries have been here for many years, and, in my opinion, we must add other basic industries to them if we are going to so diversify Saskatchewan's economy that we can lower the load that is now being carried by the agricultural end of our economy.

I must say a word or two about the oil and gas industry. You will recall, Mr. Speaker, that a year ago, when the Government increased the royalties, they will say they didn't, but they did on oil that was produced in Saskatchewan — we in the Opposition warned that even if royalties must be increased this was the worst time in the world to do it. We said that because the oil companies were confronted at that time, with the possibility of decreasing markets in the United States. They were confronted, like everybody else in Canada, with the tight money situation, and they were confronted with an additional problem here in Saskatchewan, such as the high ratio of dry holes they had dug here in this province. What has happened in the last year, Mr. Speaker? We have had a general exodus of the oil industry out of this province.

**Mr. Lopton:** — Hear! Hear!

**Mr. McDonald:** — Many hundreds of thousands of acres of freehold land that farmers have leased to the oil companies have been dropped: again, no lease money for the farmers. I suppose the Government think they can afford it; I don't know. I know I had several quarter-sections of land leased to the oil companies, last year. I haven't got any now. Every lease has been dropped. I miss that revenue. I imagine every other farmer in Saskatchewan misses it, as well. Many oil companies have closed their offices here in the city of Regina and moved out. Others have greatly reduced their staff. The Imperial Oil announced, a few days ago, that they are going to move their Accounting Division out of Saskatchewan. Other oil companies have told me that they are forced, at their next annual meeting, to recommend to their shareholders that they, too, move out of Saskatchewan. Why, Mr. Speaker? You cannot treat any industry the way this Government has treated the oil industry, and expect them to maintain their operations in our province. The Stanford Report refers to the fact that exploration activities have also fallen off sharply: they say because of the oversupply situation. Well, it seems to have affected Saskatchewan more than any place else, because on February 6, 1960, according to 'Oil Week' (I have a copy here in my hand), there were 61 geophysical crews working in the province of Alberta; there were 27 in the province of British Columbia; there were two in Saskatchewan, and none in Manitoba.

**Hon. C.M. Fines:** — What is the reason in Manitoba?

**Mr. McDonald:** — You must have made a speech down there. How could you expect the oil companies to continue the activity in our province on the same basis as they are in other provinces? Now we have another example of government attitude. I wish members opposite would read Page 13 in this particular oil book. I am referring to application of certain companies to export natural gas out of Canada. We have large sources of natural gas in Canada today, and very little market for it. The Saskatchewan Power Corporation does not think it should be allowed to export gas out of Canada. Apparently they think the oil companies are going to go about Saskatchewan and elsewhere, and dig holes, just to find out whether there is any gas down there whether you can sell it, or whether you can't. Nobody, no oil company nor anybody else, does business that way. When you have a market for a product, you go out and find it, and sell it. It is estimated that the necessary quantities for the province of Saskatchewan over the next 30 years will be some two trillion cubic feet; the Power Corporation estimated four trillion. Well, I don't know which it is, but I do know that you are not going to have activity in the oil or mining field, or any other field, unless you give the company a market for their product . . .

I would say the present Government has a very poor record of industrial development in this province; yet they are apparently proud of it. There are words that describe it, but I am not going to use them.

I want to turn for a moment to the situation in which agriculture finds itself and some of the things that I think Canada, as a nation, ought to do. Maybe I will be accused of wandering into discussions that rightfully belong in the House of Commons, but I am afraid I will have to take that risk, because I am one of those who believe that the agriculture economy of Canada, and especially western Canada, is in the position today that, unless something is done about it, we are not only going to have fewer farms in Saskatchewan; we will be darn lucky to have any. This problem is critical, and becoming more critical every year. Prices of cereal grains continue to decline; the cost of those products which the farmer has to buy continue to go up. The best five-year period that we have had for the sale of agricultural products at a fair price was that period for the crop years 1947-48 to 1951-52. Wheat prices, basis No. 1 Northern Fort William, in that period averaged \$1.82. The average for the month of December last, was \$1.62 for No. 1 Northern. That is a decrease of 22 cents per bushel at a time when costs of everything a farmer has to buy, or every move he makes, is going in the other direction.

**Hon. Mr. Kuziak:** — That was because of Federal Liberal policy.

**Mr. McDonald:** — You're just about that ignorant. You just demonstrate your ignorance by your outburst.

The hon. member's constituency is as vitally affected as any other constituency in western Canada with this very problem. I think if we have any gumption we will put our politics under our feet, and get out and do something about this problem. I don't care whether people are Socialists, Liberals, Conservatives or Social Credit; I think it is full time that we recognized the problem that confronts our agricultural economy and get out and do something about it.

The second major cereal product that we sell is barley. The record in regard to barley is even worse. The Fort William price for No. 2 CW barley back for the period 1947-48 to 1951-52 averaged \$1.29. Last December it dropped to 96 cents — a drop of 33 cents per bushel. Cattle prices throughout this period have remained fairly good. We all know what happened to the egg prices. A fellow was telling me the other day that his hens now have adopted the same program as they had in the hungry 'thirties. He said at that time they didn't bother going to the nest to lay the eggs; it wasn't worthwhile. They just dropped them in the yard wherever they happened to be. I understand the hens are doing the same thing now. Pork prices are down to levels so that no one could make any money producing pork. If pork and poultry prices remain low over a long enough period, it is bound to affect the cattle market as well. These are the problems that confront us.

I believe there is only one thing that we can do to solve these problems. Our farm organizations have asked for deficiency payments on cereal grain, and if the Government of Canada is going to continue to pursue the same course as they have over the past number of years, in paying subsidies in one form or another through tariffs, or protection of some manner or means, to other sections of our economy, then certainly farmers are entitled to parity prices. But I do not believe that parity prices are the answer to our problem, any more than I believe that subsidies, tariffs and protection are the answer to any other segment of our economy in this province. I believe that the answer to our problem is a system of trade; that we have to be prepared to sell our products to those people who can use them, and in return take products back from those countries in trade for our wheat and other farm products.

I am going to move away from my notes because they are much longer than the time that I want to take. I believe, for instance, that the visit of the Prime Minister of Japan, Mr. Kiski, was of great importance to Canada and to Saskatchewan. I note that, when he was interviewed in Ottawa after going through the province of Saskatchewan, the Provincial Government had made certain suggestions to him with regard to establishing certain new enterprises in our province, and I hope that Mr. Kiski and his people will find it possible to make some investment here in the Dominion of Canada. I believe the main problem in the mind of the Prime Minister of Japan, when he visited our country, was the fact that Japan is buying far more from Canada than we are buying from Japan in return. No country can exist in trade that only runs one way. Japan is now our second best customer for wheat, second only

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to Great Britain. She is very similar country to Great Britain and Ireland — highly industrialized; very skilled people. She is passing through a period in her history now very similar to that period Britain passed through many years ago. Britain is our best customer. Japan is our second-best customer. I am convinced, if we open our borders to the products of Japanese products, that Japan could easily become the largest customer for Western Canadian wheat and other cereal grains. I am convinced we must do this. We can no longer continue to give protection to some uneconomic industries in eastern Canada at the expense of western provinces. Wheat is a surplus cereal product, which can be sold.

**Hon. Mr. Walker:** — You're 20 years too late, "Hammy".

**Mr. McDonald:** — Certainly we are 20 years too late. What have you done about it? How much have you bought from Japan in the last 16 years?

**Mr. D.T. McFarlane (Qu'Appelle-Wolseley):** — Yes, 'Buy British'. How much do you buy from them?

**Mr. McDonald:** — How much do you buy from the British?

**Mr. Lopton:** — Practically nothing.

**Mr. McDonald:** — Mr. Speaker, trade is a two-way street. I am desperately afraid that unless we face up to this problem, there is a possibility of moving a market we now have in Japan to the Soviet Union. The Soviet Union has increased its productivity of wheat by 38 per cent. On the other hand, the Japanese in ten years have tripled their consumption of wheat. We cannot afford to lose this market, but unless we do something about it we may lose it. I want to repeat that, to me, and I believe to everybody in western Canada (and I don't care what particular political party they come from), the sale of our wheat, our barley and other products means more to us than the protection of some piddly little industry in eastern Canada. I think there is an answer to this problem, and I, for one, am prepared to co-operate with any government of any political stripe that is prepared to take steps which I feel necessary in order to alleviate this tremendous problem.

I only want to say one word in conclusion with regard to freight rates, as mentioned in the Speech from the Throne. I do not believe that the present inquiry is broad enough. I believe the inquiry should include all forms of transportation — railroads, trucking and waterways. I do not believe that the only thing wrong with the transportation system, as claimed by some spokesmen for the Railways, is that because the Crows' Nest set rates on the movement of grain, and that these rates are low, and that by doing away with these agreements, this would necessarily solve the transportation problem. In my opinion this would only be another nail in the coffin of western Canada.

I am pleased that the Government of Saskatchewan is continuing with the stand they have always held in opposing this. I am sure all people in the

province will support their stand on that particular matter. But, Mr. Speaker, I believe the railroads are growing inefficient. When they lost certain commodities, what happened? They didn't make any effort to get those commodities back and get the people to use the railroads as a means of transporting those commodities. They just threw up their hands and said, "We cannot compete".

There are reasons for that. Some of the railroad unions are guilty of feather-bedding — requesting the railroads to employ people in jobs where the jobs no longer exist. We in Canada cannot afford that type of thing. We are pricing ourselves out of the world market, as I indicated a moment ago, and we must face up to reality. I don't think that any person should maintain any industry just for the sake of that person having a job. Certainly people must have employment; but people should be employed in gainful employment. I believe that, with a reorganization and modernization of our transportation system, no one would be unemployed, but we would have a changed direction of employment. I am satisfied that people would be happier if they knew they were employed gainfully rather than just filling a position as it existed down through the years. It seems to me what we need is a new direction given to the employment of labour. What we need in this country today is a portable pension, so that a worker might move from one job to another job without losing any of the benefits that he may have built up with the years of service he has put in with one particular company. I hope that some method can be devised whereby the railroads of Canada can again become financially sound organizations, and continue to provide not only western Canada but all of Canada with a type of transportation we need and must have, if we are going to survive as a great country.

Mr. Speaker, I cannot support a Speech from the Throne that does not include those policies and programs that are needed, desperately, needed, to do those things for the province of Saskatchewan that must be done if we are going to continue as a great province. The Speech from the Throne, as I indicated earlier, makes many proposals that are worthy of support, and we will have more to say about them when the legislation is presented. But, because it indicates the Government has not opened its eyes and faced up to reality, I cannot support the motion.

**Premier T.C. Douglas (Weyburn):** — Mr. Speaker, I would like to extend a word of welcome to the university students whom we are very delighted to have with us here today. May I especially say a word of welcome to those from the Debating Directorate who, I know, are always interested in public speaking, and who, I am sure, have derived a great deal of benefit from the fine address of the Leader of the Opposition. I would also like to welcome, even more especially, the International students because we are delighted to have them in our province. This is a time of great change all over the world. The great countries of Africa and Asia are experiencing great changes. We like to have students from other countries and other

continents spend some time with us, but not just because of the value they may gain from us. Much more important are the broader horizons which we may see as a result of meeting with them and holding discussions with them. So we are very glad indeed to have them here.

I should like, Mr. Speaker, to extend my congratulations to both the mover and the seconder of the Address in Reply to the Speech from the Throne. It will be twenty-five years next fall since I was first elected to an Assembly in Canada. In that period of almost twenty-five years I have listened to a great many speeches delivered at the opening of the Legislature or Parliament. I do not think in all my recollections I can think of a finer and more eloquent or a more thought-provoking speech than that which was delivered yesterday by the member for Souris-Estevan (Mr. Thorson). I would say to the members of this House and to the people of this province that this is a young man whom we will do well to watch. I am sure he is destined to write his name large on the pages of Saskatchewan's history.

**Mr. Lopton (Saltcoats):** — Well, he'd better leave socialism!

**Premier Douglas:** — I would like also to extend my congratulations to the member for Kinistino (Mr. Thibault) who made his maiden speech yesterday. It is always an ordeal for a new member to make his first speech. All of us have had to go through that experience. He acquitted himself well. He brought distinction not only to himself personally, but to the fine people of Kinistino, who showed their confidence in him and in the Government by giving him such a good vote last June.

I noticed that the Leader of the Opposition, in congratulating him, said that he hoped his stay here would be pleasant and that it would be of short duration. Well, all I can say is that if he continues to increase the C.C.F. vote in Kinistino the same way that it was increased last June (and pushing the Liberal vote down), then I think his stay is liable to be of very great duration indeed. My friends opposite were the people who were prepared to regard this vote as a barometer of public opinion in the province. I notice that the C.C.F. vote last June, compared to the 1956 general election, went up by 2.3%. The Liberal vote went up by 7/10ths of 1%.

**Mr. Danielson (Arm River):** — The less you explain about, the better off you are.

**Mr. Gardiner (Melville):** — What barometer?

**Premier Douglas:** — I think it is not fair to suggest that the singing of the member of Melville (Mr. Gardiner) had any adverse effect on the vote. As a matter of fact, I am sure that if I had had the courage to do what he did I could have knocked at least 500 votes off the C.C.F.



I listened with interest to the Leader of the Opposition this afternoon. I would like to begin, Mr. Speaker, by expressing my own regrets, and I am sure the regrets of all the members on this side of the House, at the announcement which he made last fall to the effect that he was resigning as Leader of the Liberal Party. The Leader of the Opposition and ourselves have disagreed on a great many subjects. I would like to tell him sincerely that throughout the years he has sat in this House, and particularly during the years he has been Leader of the Opposition, we have grown to respect him for his integrity, for his forthrightness, and have come to like him for his frank and engaging manner. It is with genuine regret that we learned that for ill health or other reasons he had decided to relinquish the post which he had held for a number of years. I am very glad to see him back in his place this afternoon. But I had thought that probably his successor as Leader of the Liberal Party might be here.

**Mr. Gardiner:** — He'll be here next Session.

**Premier Douglas:** — When that gentleman was campaigning for the leadership, he told the Liberal party that “if you want a bare-knuckled, two-fisted fight, I'm the man to select.” He said, “Elect me and I'll give ‘Tommy’ Douglas the battle of his life.” I was sure that he must just be itching to come in here and really do that. That is why I expressed the willingness of this Government, if any of the members opposite had in mind retiring . . .

**Mr. Loptson:** — Why don't you retire?

**Premier Douglas:** — . . . or who wanted to drop out and create a vacancy, to undertake to call a by-election immediately so that he could come in here and give us the fight of our lives.

**Mr. Loptson:** — He's a student of yours; you should admire him!

**Premier Douglas:** — However, I noticed he has decided not to accept that very kind invitation. He probably believes in the old adage that “discretion is the better part of valour.”

**Mr. Loptson:** — Did you teach him that?

**Premier Douglas:** — The Leader of the Opposition made a rather unique suggestion which was that one of the Government members might drop out.

**Mrs. Batten (Humboldt):** — We'd never know they were gone.

**Mr. McDonald:** — We'd never miss most of them!

**Premier Douglas:** — I deduce from that that there wasn't a single member on the other side of the House that was willing to make way for him. If his colleagues won't drop out, he can hardly expect me to ask any of my colleagues to do so.

The latter part of the fine speech which the Leader of the Opposition delivered this afternoon, would certainly indicate two things. Whenever you hear the Liberal party beginning to talk about what they are going to do for the farmer, and above all, beginning to assert free trade, you know they expect an election somewhere around the corner. What the Leader of the Opposition said about the plight of the farmer and the need for a national agricultural policy is something with which most of us can agree. The plight of the farmer in this country can be demonstrated in two or three different ways. In the year 1957, the farmers of Saskatchewan had total expenses of \$711 million, and they had a cash income of \$538 million. This meant that in the year 1957 the farmers in the province went in the red by \$173 million. It cannot be questioned for a moment that the cost-price squeeze, which has affected everyone in the province, has affected the farming population mainly because they are the most vulnerable group in the economy. They are getting a smaller and smaller share of the national income in relation to their percentage of the total population.

What surprises me is that when some of us on this side of the House were saying this when this agricultural debacle began in 1953, and continued in 1954, 1955 and 1956 the gentlemen across the way were calling us the prophets of doom. They said that we were dragging federal matters into this House; that we thought we were back in the House of Commons; that we were discussing matters that had nothing to do with the provincial legislature. But the fact remains, Mr. Speaker, that the gap in the cost-price squeeze gained its main momentum in the period 1951 to 1956 inclusive. It has continued, it is true, but the amazing thing is that the Liberal Party never seem to wake up to a situation until either they are in Opposition where they can do nothing about it or just before an election and then they hope to get themselves some votes.

The Leader of the Opposition has said that he is now prepared to put politics aside and work with anyone to solve agricultural problems. But when we tried to get resolutions through this Legislature asking for parity prices and asking for deficiency payments, and when we asked this Legislature to take a united stand so that the Parliament of Canada would know where the provincial representatives stood on the plight of agriculture, these gentlemen moved amendments and went around the issue for fear they would embarrass the Liberal Party at Ottawa. The Leader of the Opposition said that the answer lies in freer trade. I took him to say (I stand corrected if I am wrong) that he is not in favour of parity prices or deficiency payments.

**Mr. McDonald:** — Mr. Speaker, I don't wish to interject, but what I said was this: If Canada is going to give this protection to other segments of our economy, then by all means the farmers are entitled to parity prices. But I do not think that is the answer to Canada's problem — protection for anything.

**Premier Douglas:** — I certainly agree that protection is not the answer. The position which our group has taken, provincially and federally, is that as long as the farmer must buy in a closed and protected market which he has bought in ever since Confederation, whether a Liberal or Conservative Government was in office at Ottawa; as long as he must buy in a protected market, then he must have some compensation for the fact that he sells in an unprotected market at world prices, which prices are less than his cost of production.

It is true that we ought to have freer exchange of goods. My friend talks about more trade with Japan and more trade with Great Britain. We have endorsed this over the years. The only way Japan can earn dollars to buy wheat is to sell goods in Canada. The same is true of Great Britain. The same is true of any country which buys our primary products. The fact remains, and should not be forgotten, that it was a Liberal Party in office at Ottawa who put up the tariffs against British woolens and who imposed a virtual embargo for quite a while against British cars. My friends will pardon me if I am less than enthusiastic about the sincerity of the Liberal Party. When out of office, they suddenly become great advocates of free trade.

Some one opposite asks what do we do about buying from Great Britain. We have carried on a steady campaign not only to persuade others to buy from Great Britain, but also for the Government to buy from Great Britain. I haven't the figures at the moment, but I should be very glad to get them. But I think I could warrant a safe guess that the Saskatchewan Government, through its departments and various agencies, has probably bought more from Great Britain in the past five years than a Liberal Government bought during the entire thirty-four years it was in office. Before my friend laughs I suggest he look up and see what has been purchased in the way of generating equipment for the Power Corporation, British telephone equipment and other capital equipment which we have purchased from Great Britain.

**Mr. Gardiner:** — How many care?

**Premier Douglas:** — I believe we can give my friend the information about cars, too.

I want to say just a word or two about the other matters to which he referred. The first is the matter of freight rates. There will be opportunities later to deal with the question of freight rates, but I think it is appropriate at the moment just to say a word about them. Last Friday the various members of the Government presented preliminary briefs, on behalf of the Government to the Royal Commission on Transportation. Our main brief, along with the main briefs of other provincial governments, will be presented to the Commission when it meets in Ottawa in May and June. We indicated two things. The first was that we are opposed to any change in the Crow's Nest Pass Rate Agreement. The second was that we are continuing to press for some

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alteration in the freight rate structure, which at the present moment discriminates against western Canada as compared to central Canada, which has the advantage of alternative forms of transportation to keep rates down, and has the advantage of agreed charges.

Some years ago, when this Government presented a brief to the Turgeon Commission on transportation, we made it clear at that time, and we will make it clear again, that we do not propose to accept the two horns of the dilemma which the railways have tried to place before us. They say you must either agree to increased freight rates, or if you will not do that, then you must agree with the Federal Government, or someone, to pay subsidies to the railways. Our contention is that before we acknowledge that these are the two alternatives we must look at it from a third alternative. The third alternative, as we set it out to the Turgeon Commission, was a national transportation authority, with power to co-ordinate all forms of transportation, to remove the large amount of duplication which now exists, to remove much of the waste that results from that duplication, and to make more efficient use of our various forms of transportation in order that they might complement each other, rather than operate on a competitive and wasteful basis. This is the thesis that we will develop when we present our case to the Royal Commission.

Before I adjourn the debate, I would just like to make one or two comments regarding some statements which were made by the Leader of the Opposition. He started out yesterday by taking some of the campaign literature. He said that the Government had not kept the commitments which it had made. I was interested when he held up a pamphlet on health. He referred to the statement that certain services would be given without charge. Of course, he waived this aside. He said that no services could be given without charge. But this is not in accordance with the facts. Last year in this province some 5,000 cancer patients were treated at the Clinic without charge. There was no charge to them whatsoever. Whenever surgery, diagnosis or deep X-Ray therapy was required, there was no charge. People who go to our mental institutions are treated and kept and care for without charge. Those who suffer from polio are being care for without charge. Our old age pensioners, mothers' allowance cases and blind pensioners who are in receipt of a health card get that card without charge. True, we must pay for this out of the general revenue of the province. Nobody ever thought they were being paid for in any other way. But the fact is that these people are getting these services without any charge to the individual.

The hon. member says we are taking a long time in keeping our promise of getting around to health services. Well, at least we have moved quite a ways. I have in my hand a pamphlet passed out by the Liberal Party in 1934. It is called 'The Supplementary Platform Resolutions of the Saskatchewan Liberal Party' adopted by the Government, January 11, 1934. One of them is headed:

‘State Medicine and Health Insurance’:

“Resolved that the Liberal Party, when elected to power, undertake a thorough investigation of the subject of state medicine and health insurance, with a view to a formulation of a definite policy relating to the same.”

**Mr. McDonald:** — They certainly did, too. Better dig a little deeper, there.

**Premier Douglas:** — They passed this resolution, and they asked people to elect them on that basis. They left office ten years later without having done one single thing about it.

**Mr. Danielson:** — That’s what you say!

**Premier Douglas:** — Here is also another platform resolution in 1931:

“. . . to investigate fully the possibility of setting up a crop insurance against other weather conditions besides hail.”

**Mr. McDonald:** — What about the P.F.A.A.?

**Premier Douglas:** — Again, they left office without doing anything about that, too.

**Mr. Danielson:** — You haven’t done anything, have you?

**Premier Douglas:** — The Leader of the Opposition dug up an old statement of mind regarding education. He has re-stated and misrepresented this statement for so long that it has become repetitious. It is equally repetitious for me to reply.

**Mr. McDonald:** — It gets under your hide!

**Premier Douglas:** — This statement, to the effect that a C.C.F. Government would accept its constitutional responsibilities for education, has been interpreted by the gentlemen opposite in recent years as indicating that we intended to pay all the costs of education.

**Mr. Gardiner:** — Well, that’s what you said.

**Premier Douglas:** — No one, the Opposition or anyone else, has suggested that the Government should assume all the responsibility for education costs. What it did mean, and what we said it meant, was that the Provincial Government, having a larger taxation base, must step in and assist particularly these areas where the limited land taxation base was not adequate

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to provide the same standard of educational services as were available in other parts of the province. This is precisely what has been done.

**Mr. Loptson:** — Oh, what a joke!

**Premier Douglas:** — The Provincial Government obtains revenue and redistribution by means of equalization grants. In some cases we pay grants which constitute 70 per cent or more of the educational cost of a community. We pay only 25 or 22 per cent in another community, which is comparatively well off. This is what we mean by exercising our constitutional responsibility, and this is what we have done.

The Leader of the Opposition started out today by saying that the contribution of the Provincial Government for education, percentage-wise, remains more or less constant. Having said that, he walked away and left it. Not one figure! Not one bit of proof! He just said that it remains more or less constant. The facts speak for themselves. Take the grants for expenditures for each year. Grants for education from the Provincial Government for 1944 represented 21 per cent of the cost, leaving almost 80 per cent to be paid by the local school districts. In 1959 (our figures are subject to checking) the grants paid by the Provincial Government ran to something in the neighbourhood of 43 per cent or 44 per cent. I think we could be on the safe side and say 43 per cent of the total cost. The municipalities and school districts are left with the responsibility of raising the other 57 per cent. We have said that we will consistently move steadily each year toward the goal of paying at least 50 per cent of the total cost of education.

I was rather interested in the remarks of the Leader of the Opposition in dealing with the Saskatchewan Power Corporation. He took to task the member for Souris-Estevan (Mr. Thorson) who had referred to it as a 'public utility' which is giving service at cost. The Leader of the Opposition looked up the financial statement which showed a surplus of \$3,300,000 and says we could use this profit to cut rates.

**Mr. McDonald:** — So you could.

**Premier Douglas:** — Mr. Speaker, when the surplus is such that rates can be cut, nobody will be happier than the Government to cut them. But we have another responsibility as well as the responsibility to the customer of the Power Corporation. That is the responsibility to the people who want to become customers of the Power Corporation. Therefore, this money is used to help expand, along with the money that is borrowed, the services into other communities and other areas. The fact is that to date not one dollar of surplus from the Power Corporation has ever come into the Provincial Treasury. Any surplus from the Power Corporation will be used to reduce rates (and rates have been reduced), or they will be used to take

the service to the people who want that service. Certainly until we have managed to bring all the farmers this service, and to bring all the smaller towns the benefits of gas, it seems to me that this is a responsibility that we must accept and which we must take up.

I don't think we need to apologize for the fact that the Power Corporation has a surplus. I would remind the Leader of the Opposition that when we took office, the Saskatchewan Power Corporation had a deficit, and we had to start by getting rid of the deficit.

**Mr. Danielson:** — Tell us how much.

**Premier Douglas:** — Well, the answer to that question can be found on the Order Paper in the Journals of the House. If I remember correctly it was \$470,000.

**Mr. McDonald:** — How much do they owe now?

**Premier Douglas:** — The Leader of the Opposition today was very much concerned about the municipalities. The Liberal Party is always concerned about the municipalities when they are not in a position to do anything for them. At the times they could do something for them there were no grid roads and there was no contribution of 50 per cent or 60 per cent towards building grid roads.

**Mr. Lopton:** — There was always 50 per cent contribution available.

**Premier Douglas:** — There was nothing at all except the odd special grant which was handed out just before an election.

**Mr. McDonald:** — Don't be ridiculous.

**Premier Douglas:** — In 1944, which was election year, they gave out grants totalling something under half a million dollars. Contributions which this Government will make this fiscal year to the municipalities for roads and bridges will be in excess of \$7 million. As a matter of fact, in 1958, more than 35 per cent of all the money spent on municipal roads and bridges came from the Provincial Government in the form of grants. This is a record which the Liberal Party never even came close to in all those thirty-four years they were in office.

Is the hon. member going to ask a question? I will repeat it for my hon. friend's benefit.

**Mr. Cameron (Maple Creek):** — He'll answer it, rather than ask it!

**Mr. Lopton:** — I wasn't listening to you, my hon. friend.

**Premier Douglas:** — They have asked about the additional aid given to municipalities. Since the Conference, which was held in 1956, we have increased financial aid given to municipalities. We are giving more and more assistance for roads and bridges. Under the new social aid program today the municipalities are paying only about eight or nine per cent of the total cost of social aid. Many of us can remember times when the municipalities were required to pay 50 per cent of the total cost of social aid.

The Leader of the Opposition has asked if the Continuing Committee is going “to continue.” He says the delay of the Committee’s Report is just procrastination. Well, Mr. Speaker, if the Government were to tell a Committee, on which there are representatives of rural municipalities, the urban municipalities, the Trustees’ Association, and the Health Regions, when they must report or what they must do, the gentlemen opposite would be the first people to be talking about dictatorship and regimentation. Some of the people who sit on this Committee are prominent members of the Liberal Party. One of the most active men is at present a candidate for the Liberal Party. I think this is a good thing. I think that when you come to deal with the problems of municipal reorganization and reallocation of finances and responsibilities it is not a political question. This is a question in which all political parties must be involved. I am glad to see representatives of the Liberal Party sitting on that Committee. I can just imagine what would happen if we got instructions to tell the Committee that they were procrastinating, as the Leader of the Opposition said this afternoon. We have made every facility available at the disposal of this Committee. We will do everything to help them prepare their data so that they can make final recommendations to the Government. They have made a lot of progress. They have gathered a wealth of information. They are in a position now where they can go out and consult with local groups and to test their ideas and their recommendations. When they have completed their consultations, they will be ready then to make their recommendation to us. We shall be most happy to present them to the Legislature.

I want to deny most categorically a statement which was made by the Leader of the Opposition, this afternoon, when he said this was being procrastinated and delayed until after the election so that the Government can come in and say, “We’ve got a mandate and we can now put this thing in without consultation.

**Mr. McDonald:** — Mr. Speaker, again I don’t want to interfere, but just to keep the record straight. These are the people that are procrastinating, right over there.

**Premier Douglas:** — Mr. Speaker, I think this pretty well shows the mentality of the Opposition. We set up a Committee. We gave to the representatives of the local governing bodies, selected by the local governing bodies, complete control and direction of the work of the Committee



**Opposition Members:** — Oh, no!

**Mr. Cameron:** — How many Cabinet Ministers have you got on that Committee?

**Mr. McDonald:** — Balderdash!

**Premier Douglas:** — There are Cabinet Ministers on the Committee, yes, but they are the minority on the Committee. They do not dominate the Committee. I think the members of the Committee will not take it kindly that it has been suggested that they have been procrastinating.

**Mr. McDonald:** — Mr. Speaker, how often does the hon. Premier have to be corrected?

**Mr. Speaker:** — Order! Order! The hon. member must not interrupt.

**Mr. McDonald:** — Well, he's not going to put words in my mouth. If the hon. Premier will take his seat and just wait a while (we've got several weeks ahead of us), my suggestion was that the Government was procrastinating; this problem has been with us now for two years and there has been nothing done about it. They are sitting on their haunches and waiting for the Committee to report. I know — as a matter of fact, Mr. Speaker, I pointed out to the Committee . . .

**Mr. Speaker:** — Order! Order!

**Premier Douglas:** — Let the hon. gentleman continue, Mr. Speaker — I don't want to put words into his mouth; I only want to put ideas into his head.

**Mr. McDonald:** — I don't want any of your ideas. You couldn't spare them!

**Mr. Gardiner:** — He's got little enough to spare as it is.

**Premier Douglas:** — Mr. Speaker, on this Committee there are four Cabinet Ministers. There are a number of members who are on ex-officio, such as representatives of the School Teachers' Federation, and so on. They are members of the Committee, but have no voting power, so that actually there are 12 members on the Committee, four of whom are Cabinet Ministers. If the Opposition feel that the Committee is not making satisfactory progress, I think that the Committee would be very happy to appear before any of the Standing Committees of this House to outline the progress they are making, and to get suggestions from the Opposition as to how they could make haste more speedily. I'm sure they would be glad to do that.

I want to say that I have sat in on a good many of their meetings, and I say they are making good progress. I think they are tackling, with a good deal of respect, what is probably one of the largest assignments of this

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sort which has ever been given to any group in the history of this province. I think, as they go out to hold consultations with local groups, the local groups will appreciate that their preliminary work has been well done, and I think they will get a good deal of public acceptance.

If the Opposition would like to discuss this thing in a Standing Committee of the House, certainly there would be no objection. But one thing I want to make abundantly clear is that, when this Committee reports, (and local government bodies have made their recommendation on this), it will be the responsibility of the Government to consult with local government, and local government bodies and people in the community. The suggestion that any reorganization would be put in without some consultation is completely incorrect, and is not in line with the policies which the Government has laid down.

**Mr. Gardiner:** — How many meetings have you held?

**Premier Douglas:** — Mr. Speaker, I think the other remarks that I want to make would probably be best left until tomorrow. I would, therefore, beg leave to adjourn the debate.

**Mr. McDonald:** — Mr. Speaker, I wonder if I could ask the Premier a question. Is there any possibility of getting an Interim Report from the Committee?

**Premier Douglas:** — I believe they brought in an Interim Report last year, and I assume they will be filing an Interim Report this year.

**Mr. McDonald:** — As I recall — perhaps this is not the place for this to be discussed, Mr. Speaker.

(Debate adjourned)

The Assembly adjourned at 5:05 o'clock p.m., on the motion of the Hon. Mr. Douglas (Weyburn).