

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Thirteenth Legislature
5th Day

Wednesday, February 17, 1960.

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

On the Orders of the Day:

WELCOME TO STUDENTS

Hon. T.C. Douglas (Weyburn): — All members of the Legislature extend a very hearty welcome to the University students who are our guests here today, including those from the Debating Directorate and the International Students Union. We are delighted to have you here. You know when you go to British Columbia and it is raining they always say you should have been here yesterday. Well, all I can say to you is that you should have been here yesterday. You might have heard a much better speech than you will hear today. You will have a chance to meet the Leader of the Opposition at the banquet to be given and hear him then.

Also, Mr. Speaker, there are in the gallery and gathered around, students from North Battleford, from Creelman, from Cupar, from Lestock, from Briercrest, and from the Victoria School at Saskatoon. I am sure that all members and all parts of the House are delighted that the students are increasingly availing themselves of the opportunity to come to the Legislature and hear the discussions of public affairs. We welcome you, hope you enjoy your stay and hope you will come back again.

SPEECH FROM THE THRONE

DEBATE ON ADDRESS-IN-REPLY

The House resumed from Tuesday, February 16, 1960, the adjourned debate on the proposed motion of Mr. Thorson (Souris-Estevan) for the Address in Reply to the Speech from the Throne.

Hon. T.C. Douglas (Premier): — Mr. Speaker, I want to take a little time to outline conditions in this province, because we have just closed the books on what has been a year of gratifying growth and economic expansion for Saskatchewan. There are a number of ways you can measure economic growth. Probably the simplest measuring stick is to take the gross value of all the produce from the farms, the forests, the mines, the

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oil wells, the factories — all services produced by the people of the province. Last year they reached the staggering figure of \$1,432,000,000 which was 3 per cent higher than the year before and 133 per cent higher than 1945 when the gross value of all our production was only \$615,000,000.

Our total production last year included a number of important items, and I think the most significant was the mineral production of \$214,000,000 as compared to \$210,000,000 the year before. The largest item in mineral production was crude oil which was estimated last year at \$118,000,000 compared to \$105,000,000 the year before.

The most encouraging item in our total production was manufacturing which was \$341,000,000, up 7 per cent from the previous year when it was \$318,000,000. I am glad to be able to tell the House that during 1959 some 50 new plants were established in this province, nineteen of which were major concerns. This brings to a total of 220 new plants established in Saskatchewan since 1956, 42 of which represent major capital investment totalling something in excess of \$120,000,000. We estimate that in this year, 1960, manufacturing in Saskatchewan will reach a figure of \$370,000,000.

Construction last year amounted to \$375,000,000, and this was one of our record years.

For many years the government has recognized that we must diversify and stabilize our economy because an economy which is predominantly dependent upon agriculture is a vulnerable economy. The experience of the past few months has demonstrated the wisdom of that approach because last year agriculture had a difficult time. We have over 50,000,000 bushels of grain lying under the snow. The farm net income last year (that is the farmers' income after paying his direct operating expenses), was \$245,000,000. That is up 7½ per cent compared to the previous year, but it is down 32 per cent compared to the ten-year average from 1949 to 1958, when the average net farm income was \$360,000,000. Last year cash farm receipts were down 5 per cent compared to the previous year despite the fact that farm output was the same in quantity and in ultimate value. In other words, last year the farmers produced the same amount of commodities and they were worth the same amount of money. But the farmers actually got 5 per cent less in cash returns.

Despite this drop in agricultural income it is at least encouraging to note that the non-agricultural section of our economy can be used to pick up the slack. Last year our retail sales, which are a good barometer, reached an all-time high of \$940,000,000 as compared, for instance, with \$659,000,000 in 1951, and only \$249,000,000 in 1944.

The encouraging thing about the period since the war, Mr. Speaker, has been the unprecedented growth of our non-agricultural production. I will state some of the figures. In 1944 our non-agricultural production was \$277,000,000. By 1951 it had gone up to \$483,000,000; by 1956 it had gone up to \$791,000,000; and by last year it had reached \$948,000,000. The

encouraging thing is that our non-agricultural production now constitutes about 62 per cent of the net value of our total production in the province. This is not because the value of agriculture has gone down. As a matter of fact in 1945 our agricultural production gross value was \$380,000,000. Last year it was \$484,000,000. Agriculture hasn't gone down — it has gone up. The fact remains that today our non-agricultural production constitutes 62 per cent of our total output as compared to something less than 25 per cent in 1945 and less than 20 per cent prior to the war.

This increased development of our resources and this introduction of new industries is providing more jobs and more income for the people of Saskatchewan. As a predominantly agricultural economy, we felt more than any other province the effect of farm mechanization in the 1930's and in the early 1940's. Consequently, from 1936 to 1946 our population dropped by 99,000 plus the loss of our natural increase, which was another 136,500, making a total of over 235,000 people that we lost between 1936 and 1946. The Leader of the Opposition yesterday had a lot of fun talking about loss of population. But here was a loss of almost a quarter of a million in a ten-year period. Leaving out the natural increase alone, from 1936 to 1946 this province suffered an annual loss of 9,900 people. If that trend had continued the population of Saskatchewan in 1959 would have dropped to 705,000. We managed to stop the drop in population and increased it by 74,000 and last year we reached the figure of 907,000.

It is interesting to look at what has happened to the non-farm population. From 1946 to 1951 the province of Manitoba had an increase in its non-farm population of 12.6 per cent. Saskatchewan had an increase of only 11.4 per cent. But the following 5 years, from 1951 to 1956, Manitoba had an increase in its non-farm population of 15.3 per cent and Saskatchewan an increase of 20 per cent. Or take the whole ten-year period from 1946 to 1956. Manitoba's non-farm population went up 29.8 per cent and Saskatchewan's non-farm population increased by 33.6 per cent.

A good deal has been said about manufacturing. The Leader of the Opposition mentioned it yesterday and I just want to thank him for using reasonably accurate figures, which is more than his leader has been doing. I listened one evening to a provincial affairs program on television and heard the leader of the Liberal party solemnly tell the people of this province there was 1,700 less people engaged in manufacturing in Saskatchewan today than when the C.C.F. took office. This statement, like so many statements made by that gentleman, is entirely cut out of whole cloth. Let me give the facts to the House as they are contained in the statement by the Dominion Bureau of Statistics. It is true that there was a drop in persons employed in manufacturing. In 1944 we had sawmills all over the province. We came to the place where we had only ten years of saw timber left in the province if we allowed that rate of depletion to continue (and I will deal with that later).

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We reduced the annual cut to what would be replaced by natural growth and consequently the number of people engaged in sawmills dropped by nearly 1,500. Also in 1944, during the war, there were a great many abattoirs and packing houses in the province. At that time we were selling tremendous quantities of pork and other meat products to Great Britain. One year we shipped to Great Britain alone 700,000,000 pounds of pork and Saskatchewan at that time was producing more than half of all the pork produced in Canada. After the war we lost the overseas markets for pork and most of our meat products. We lost in that industry roughly 1,000 people making a total in these two industries alone of some 2,500 people. This bears on the fact that from 1944 to 1951 the number of people engaged in strictly manufacturing dropped from 12,361 to 11,023. In 1956 it had come up somewhat to 11,536, and last year the persons engaged in manufacturing stood at the figure of 12,800. This loss of 1,700 people is purely fictitious. There is not as great an increase as we would like but there is a substantial increase and not a loss.

When my friends talk about the number of people engaged in manufacturing, why do they not take the total number of people engaged in industry? Why are they so anxious to leave out the people engaged in mining, in oil production, in forestry, in construction? As a matter of fact, this D.B.S. statement, (Catalogue No. 72-002), gives the monthly sampling of June of each year. For 1959, it showed that the total number of persons in the non-agricultural labour force in Saskatchewan in 1941 stood at 129,000 in 1951 at 154,000 and last year at 191,000. Why do my friends not quote this figure? In the same report you will find figures collected by the Dominion Bureau of Statistics on the number of people employed by employers who hire fifteen or more persons. These figures show that from 1944 to 1959 the increase across Canada of those listed as employing fifteen or more persons had increased by 54.8 per cent. In that period of time the increase in Manitoba was 50.5 per cent which was below the national average. In Saskatchewan in that period of time, it was 89.7 per cent. It is not enough to quote the number of people employed in other provinces. You must measure each province by its relative progress. Since 1949 the number of employees listed for Saskatchewan has increased by almost 90 per cent.

What is more important than the number of people employed, of course, is the amount of money they get. You can have millions of people employed, but if they are getting very small wages it doesn't increase the economic welfare of the province. The real test, of course, is the wages and salaries. In 1944 wages and salaries in this province were \$163,000,000. By 1951 they had climbed to \$315,000,000. In 1956 they had climbed to \$499,000,000. In 1958 they had climbed to \$566,000,000 and the estimate for 1959 is \$600,000,000.

Another good indicator is capital investment because wealth can only be produced if capital is invested. The public and private investment in Saskatchewan in 1948 was \$241,000,000. In 1951 it had gone up to \$359,000,000. In 1956 it had gone up to \$624,000,000. Last year (we only have an estimate so far) it was \$620,000,000. It is an interesting thing to take the capital investment in each province and across Canada and divide it by the population so that you get the per capita investment. The national average in 1959 was \$631.00. The average in Saskatchewan was \$670.00 or almost \$40.00 above the national average.

The facts, as can be seen by any fair-minded person, completely disprove the attempts by the Liberal party to paint a picture of economic stagnation in this province. The Liberal party has done everything it can to belittle and to disparage the province of Saskatchewan. The Leader of the Liberal party has not only done this up and down the length and breadth of Saskatchewan — I don't mind that so much because the people of Saskatchewan know the facts and are able to judge for themselves — but he has gone elsewhere to do this. I noticed that the Regina 'Leader-Post' of December 15th, under the heading "Thatcher asks east for support", tells of his appeal in the city of Toronto for financial aid to defeat this C.C.F. 'Octopus' in Saskatchewan.

Mr. J.W. Gardiner (Melville): — Hear! Hear!

Premier Douglas: — It is a sad thing for the Liberal party, Mr. Speaker, when they have to go down east to ask for money to fight their battles because they can't raise it in Saskatchewan.

Opposition Members: — Where do you get yours?

Premier Douglas: — This is what the Leader of the Liberal Party is quoted as saying in the course of his address. I want the members opposite to note it carefully. He said:

"The province is characterized by economic stagnation that is hard to believe. The province is in danger of becoming one of Canada's depressed areas."

Mr. Speaker, I ask the business men of this province, many of whom are adding to their business premises, how they think it will help their credit rating to have the leader of the Liberal Party stand up in the financial centre of Canada and say that Saskatchewan is in danger of becoming a depressed area.

Of course we weren't helped by Mr. Pearson, the national leader of the Liberal party, when he visited Saskatchewan. According to a report in the Regina 'Leader-Post' of December 3rd, he said in the city of Regina, that if he were president of an industry, he would be careful before establishing his business in a province with a socialist government.

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Opposition Members: — Hear! Hear!

Premier Douglas: — In other words, he was telling the industrialists of Canada: ‘Stay out of Saskatchewan’. Mr. Speaker, I’ll tell you this: if Mr. Pearson wanted to start a business in a province with a Liberal government he would have to go to a little island out in the Atlantic ocean called Newfoundland. That’s the only place he can find one.

Government Members: — Hear! Hear!

Premier Douglas: — The Liberal party, like Napoleon, has been exiled to Elba.

Mr. McDonald: — Where are the C.C.F. party?

Premier Douglas: — Mr. Speaker, the Liberal party have been talking a great deal about what they would do if they were in office about bringing industry to Saskatchewan. The Liberal party have always been excellent at promising to do a great deal when they are in opposition and doing nothing when they are in office. I am going to call as my chief witness in this regard a source with which I am sure even the Opposition will not quarrel. I have here the submission by the Province of Saskatchewan to the Special Committee of the House of Commons on Reconstruction and Re-establishment, on Wednesday, April 19, 1944. Any member can get a copy of this report in the Legislative Library. This report was made to the House of Commons Committee by the Honourable W.J. Patterson, then Premier of the province, and the submission was made just three months before the C.C.F. Government took office. Let’s see what the head of the Government of that day said about the condition of a province which had enjoyed the benefits of Liberal administration for thirty-four years.

On page five he starts with highways. Here is what he said:

“Of the present 8,009 miles of provincial highways only 23.4 miles have been constructed to standard hard-surface requirements.”

I ask the hon. members to compare that with some 2,000 miles of either oil or hard surface roads today.

Mr. McDonald: — Sober up!

Premier Douglas: — He goes on:

“Approximately 627 miles to date have not been graded to standard above that of an ordinary municipal road. A large portion of the mileage constructed between 1920 and 1935 must be reconstructed to meet the requirement of present day traffic.”

On page six he talks about the forest resources. He said:

“It is now estimated that almost 25 per cent of the accessible forest area has long been logged off or burned over in past years. If our present rate of consumption of timber continues our virgin and mature stands of white spruce and fir suitable for saw lumber will be exhausted in 10 years.”

On page nine he deals with Clays of Ceramic Value. He said:

“Saskatchewan’s clay industries suffer from a lack of markets and from competition in Alberta where a more suitable source of fuel is available in the form of natural gas.”

I would remind the members of the House that clay, since that time, instead of being shipped out of the province, is being manufactured in Saskatchewan into brick and tile, into cement and light aggregate and into ball clay, and with natural gas.

On page 11 the submission goes on to point out how vulnerable the Saskatchewan economy is. It pointed out that during the period of 1925 to 1939, in relation to primary industry, forestry, mining and so on, agriculture represented 95 per cent of the total and in relation to total production agriculture represented 81.27 per cent. In other words, less than 20 per cent of our production was non-agriculture.

On page 13 the submission stated:

“We are particularly interested in the irrigation proposal to use the water of the Saskatchewan River by the construction of a dam north of the city of Swift Current. This dam would provide a reservoir of one million acre feet capacity and would irrigate by gravity almost one million acres of land in Saskatchewan.”

That presentation was made in April, 1944, to the Liberal government in Ottawa and when they left office 13 years later they hadn’t even turned one spade-full of dirt toward the construction of the South Saskatchewan River Dam. These are the people who do a great deal when they are out of office.

On page 5, the report says that in almost every centre in the province there is an inadequacy of hospital accommodation. How true! Since that time the bed capacity of the province has been almost doubled. On

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page 5 of the report it also says that school plants and equipment are in bad repair and salaries are definitely inadequate. It goes on to say that although the situation has improved the salary schedule is still definitely below the median of \$1,321.00 per year set by the Canada and Newfoundland Educational Association.

Finally, Mr. Speaker, we come on page 14 to the section on industry. I ask the members to pay particular attention to this. This is a report of the Liberal government in Saskatchewan to the federal government in Ottawa. It says:

“Saskatchewan, from the point of view of industrial development, is in a poorer position than any other province in the Dominion of Canada with the possible exception of Prince Edward Island.”

Mr. McDonald: — True.

Premier Douglas: — It goes on to say:

“Despite the fact we had (in 1939) 8.39 per cent of the population, we had only 2.09 per cent of Canadian industrial production.”

I ask the members to compare that with the fact that whereas in 1944 our non-agricultural production was \$277,000,000, last year it was \$948,000,000, a three-fold increase.

Mr. Speaker, let us look the facts clearly in the face. When this Government took office in this province in 1944 there was no oil or gas in commercial quantities produced in the province. Today we have over 4,000 oil wells and nearly 200 gas wells in production or capable of production. Seventy communities in Saskatchewan, including every city in Saskatchewan, are getting the benefit of natural gas.

When this Government took office this province had never produced uranium and last year we produced some \$54,000,000 worth. When this Government took office potash had never been produced in the province and had never been seen in the province. At the present time two companies have anticipated an investment of some \$50,000,000 for mining and processing potash and eight other companies are doing exploration work.

According to this report, (page 15), the Liberal government said before the Committee on Reconstruction and Re-establishment, that there were less than 300 farmers in Saskatchewan with electric power. Today there are some 55,000. This report said that only one-third of the people of Saskatchewan had been able to get electric power from the main transmission lines and that there were 35,000 people in small communities wanting power but

couldn't get it. Today every town and village in the province has been supplied with electric power.

Yesterday the Leader of the Opposition described the Saskatchewan Power Corporation as a 'barnacle'. I don't think the people of Saskatchewan will take kindly to that description of the Saskatchewan Power Corporation. He took the financial statement and pointed out that they had a surplus of three and a third million dollars. He said, 'why couldn't this be divided up to reduce rates?' If he had gone to the trouble to look at the statement he would have seen that the surplus for electricity, to look at the statement he would have seen that the surplus for electricity using round figures, is about \$2,500,000 and for gas it was a little over \$800,000. If you took the \$2,500,000 for electricity and gave it all back in the form of rate reduction, it would mean a rate reduction of less than three-tenths of a cent per kilowatt hour. If you took the \$843,000 surplus for gas and paid this back it would mean four-thousandths of a cent per cubic foot, or four cents per thousand cubic feet. Mr. Speaker, at the present time we are supplying the most economic areas with gas. As we go out into the smaller towns and possibly into some of the farming communities these returns will be less. Surely we are not justified in reducing gas rates until at least we have taken gas to more and more of the smaller communities of this province.

In 1944 there was no question of a steel industry in Saskatchewan. Today we have one of the most modern steel mills in Canada going up in this province. It has already attracted four other industries. In 1944 there were no facilities here to help finance industrial development. During this past year the Bank of Canada has located here in Saskatchewan, a branch of the Industrial Development Bank. In addition to that the Provincial Government has set up an Industrial Development Fund in connection with our Industrial Development Office. We have already approved loans totalling \$5,750,000 covering 72 separate loans as at December 31, 1959.

Mr. Speaker, I ask the members of this House to look at the record as set down by the Liberal government itself in April, 1944, and look at the situation as it is today. Again, I do not want to quote what the Government thinks about the matter. There was laid on the tables of the members of the House last Friday a report entitled 'The Study of Resources and Industrial Opportunities for the Province of Saskatchewan.' This was undertaken by the Stanford Research Institute in conjunction with the Economic Research Corporation of Montreal and Sandwell & Company Limited of Vancouver, B.C. We selected the Stanford Research Institute because they are probably the biggest and best known industrial and economic consultants in the world. They have done research and survey work for almost every large corporation on the North American continent. They are noted for being somewhat cautious and conservative. But this is an advantage because the value of this report, apart from its recommendations to the Government, is the fact that we propose to put it in the hands of investors and industrialists in Canada, the United

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States, Great Britain and other countries of the world. With the reputation this company has, we feel that the report will get a very good hearing.

What does this report say about the province? I want to point out, as the Leader of the Opposition said yesterday, that we ought to read the report rather than a digest. It ought to be read carefully. It does not hesitate to point out the shadows as well as the bright spots. It points out the limitations as well as the opportunities in Saskatchewan's economic potential. I think it gives a fair statement — if anything, too cautious a statement — but it is a fair statement.

What does it say? On page 39 of the report, this is what it says:

“In the last ten years (1948-58) mining production has almost quadrupled in value, while that of the construction industry has tripled. The net value contributed by the manufacturing sector has increased by more than two and one-half times.”

On page ten it says:

“Thus, the increasing industrial activity and population growth which created larger markets for goods and services have led to an accelerating tempo of industrial development in Saskatchewan.”

I ask the members to note very carefully the next sentence. It says:

“The population of the nine major centres in the province increased 47 per cent between 1946 and 1958.”

The Leader of the Opposition, yesterday, had store windows being boarded up and people getting on bicycles and hurrying out of the province. But this report says that in 1946 to 1958 the population of the nine major centres in the province increased by 47 per cent. The Leader of the Opposition yesterday also said that he had worked out some new economic computation for determining constant dollars and found that actual manufacturing value had gone up by only \$10 million. Listen to what the Report says:

“During the same period, the value added by manufacture in constant dollars had increased 112 per cent, and the total capital investment rose from \$241 million in 1948 to \$612 million in 1958”.

Mr. McDonald: — Mr. Speaker, I don't want to interfere with the Premier, but he misquoted what I said yesterday. The format that I used yesterday came from the Economic And Advisory Planning Board of the Saskatchewan Government.

Premier Douglas: — The Economic Advisory and Planning Board can give figures to my hon. friend, but they can't supply him with the capacity for understanding them, Mr. Speaker.

Mr. McDonald: — Some staff you've got!

Premier Douglas: — On page 55, the Stanford Research Report says this:

“Perhaps the most significant measure of growth is to be found in almost threefold increase in capital investment in Saskatchewan in this period 1948-58 and the more than twofold increase in capital and repair expenditures.”

It goes on to say:

“Total capital and repair expenditures had risen from \$241 million in 1948 to \$612 million in 1958”.

It has been said in this province and in this House that the C.C.F. government has created a social climate that has frightened industry away from the province. I think it would be most interesting to see what the Stanford Research Report says about the social climate. It says on page 69:

“In summary, there can be no doubt that the activities of the provincial government, both direct and indirect, to stimulate economic activity through encouragement of private industry, assistance to cooperatives and Crown Corporations, and the creation of an environment designed to increase the national welfare of the people and be conducive to business operations, have met with success.”

On page 309, the Report goes on to say:

“From the general analysis of Saskatchewan it appears that the province has considerable potential as a location for new industries, along with some limitations. The potential is indicated by an abundance of certain natural resources; availability of power, fuel, water and financial services; labour; and industrial plant sites. Similarly, Saskatchewan's tax structure and laws and regulations, as compared with other areas, are not unfavorable.”

It has also been said that a further obstacle to the development of Saskatchewan has been the fact that the Government has, where it deemed it necessary, developed public enterprises. This is what the report, prepared

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by the Stanford Research Institute has to say on this subject. On page 66 it says:

“In analyzing the government’s development activities through Crown Corporations, it would be misleading to suggest that the difference in the attitude of Saskatchewan toward public ownership of business enterprises differs in basic principle from that of other provinces or from that of earlier governments — the difference is one of emphasis and degree. In fact, this government differs from other provincial governments, not by holding a rigid philosophy not shared by others, but by encouraging the form of organization that should best perform the particular task at hand.”

On page 68 the Report says:

“From the above it is clear that the primary direction of the extension of public ownership has been toward the utilization of resources and elimination of gaps left by private enterprise. The government has undertaken such enterprises only when private sources of investment have felt that the particular enterprises were too risky. In certain cases this has proved true, as demonstrated by the failure of three Crown Corporations in the late 1940’s. However, it is worthy of note that, as a whole, Crown Corporations have been profitable ventures.”

That statement by the Stanford Research Institute is fully vindicated by the facts. The statements for the Crown Corporations for the past year will be tabled very shortly. A preliminary estimate shows that the Crown Corporations, leaving out the power and telephones utilities, will show the largest surplus on record. This surplus will represent a 16 per cent return on the capital investment. When power and telephones are added, all the Crown Corporations will show a surplus of over \$6 million. As a matter of fact, the ‘minor’ Crown Corporations, as the Leader of the Liberal party calls them, which do not include power and telephones, represent an investment by the people of this province of \$8½ million. At the end of 1959 they had an accumulated surplus, after deducting all losses, of \$10¾ million. In other words, they produced surpluses of \$2¼ million more than the original investment, and, in addition, the people own these enterprises. These are the enterprises, according to the Saskatoon ‘Star-Phoenix’ of August 27th, that the new leader of the Liberal party says his party will sell if they come into office.

The Stanford Research Institute Report goes on to deal with future opportunities. I think this is of interest to all of us and

particularly to the younger people who will be investing their lives and their talents in this province. On page 24, this is what the report says:

“In this decade the tempo of industrial and resource development in Saskatchewan has increased at an accelerating rate; this situation is expected to continue. The province faces a future in which diverse types of industry will continue to bring new buoyancy and stability to the economy. The rich endowments of natural resources, and to a much lesser extent, the location of the province in the centre of the Prairie market, are fundamental to continued economic growth and development.

“The principal growth is expected to take place in mining and manufacturing, while there will be an associated expansion of the construction and service industries. Non-agricultural industries currently account for 60 per cent of the province’s net value of output and by 1981 they are expected to total 70 to 75 per cent. Although the rate of growth in these sectors is expected to be greater than that of agriculture, the long-run prospects for agriculture should not be minimized. The present surplus position in various agricultural products may be deemed to be temporary. In the longer run the increasing pressure of world population on available food resources will provide a renewed stimulus to Saskatchewan agricultural production.”

That, I think, sums up very well the view which the Stanford Research Institute takes with reference to Saskatchewan’s affairs and future possibilities and opportunities.

There are at least five things that, in our opinion, hold out promise in the next few years. I refer, first of all, to potash. Many members will have read the statement made by Dr. I.M. LeBaron of the International Minerals and Chemicals Corporation. When he spoke of the potash deposits in Saskatchewan he said:

“Nothing like it has ever been discovered before. There is enough for hundreds of years of supply.”

The Stanford Research Institute says this is the most important discovery in Saskatchewan since the end of the war. Undoubtedly there are problems of the Blairmore formation which will create some technical difficulties. They will be overcome and we can look for great things from this potash development.

The prospect for a pulp industry is something upon which we have been working and upon which we will continue to work. We have some problems in Saskatchewan. Yesterday the Leader of the Opposition talked about our

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being in the centre of the prairie market and therefore it should be much easier. Of course the fact is that you couldn't keep these plants in operation two days a week on the prairie markets. In order to keep a plant in operation you must either have the Pacific coast market or the American market to the south of us, or the Eastern market. It is true that Manitoba and Alberta, closer to these markets, have had some advantage. The government is optimistic about the prospects in the future and I am convinced that a pulp industry can and will be established in this province.

The same thing is true of the chemical industry. The problem here has never been materials, as the Leader of the Opposition suggested yesterday. The problem has been markets, because again the major market to consume the large quantity of products that would be put out by economic units could only be found in the United States. Again we look with considerable optimism on the prospects of developing a chemical industry.

The steel industry also holds out great prospects for the future. As I said a few moments ago, the fact that a steel mill is being constructed here has already brought more industry into the province and these are now in various stages of construction. Others will undoubtedly follow. It is quite possible, we believe, when the Choiceland ore deposits are developed, for Saskatchewan to be the key province in Western Canada in terms of the iron and steel industry.

To me, one of the most important factors in our future development is the South Saskatchewan River Dam. Last year some \$16 million was spent on it. This year a similar amount will likely be spent. This is going to make possible large-scale irrigation, a greater diversification of agriculture, industrial development and recreational facilities and, of course, the generation of power right in the heart of the province where we can use it to best advantage.

I think, Mr. Speaker, that this province has a great future and I am very glad to see that this view is shared by some of the people who don't agree with us politically.

I said a little while ago that some of the Liberals always want to disparage and belittle what is being done in Saskatchewan. That doesn't go for all of them. I happen to have in my hand a copy of the overseas edition of the 'Globe and Mail' for December 30th. There is a very fine article in it written by Mr. E.H. Davis, Assistant Editor of the Regina 'Leader-Post'. The heading is:

"Old Enemies Conquered. Saskatchewan Looks to Greater Prosperity".

After outlining the development of oils, uranium, mining, potash and new industries, Mr. Davis says this in his article:

“Saskatchewan has reaped many benefits from the growth of industries. They have helped maintain personal incomes of a high level. Despite the drop in farm earnings, personal incomes in 1959 totalled \$1,174,300,000, only slightly less than in the peak early Fifties when farm earnings were high.”

He goes on to say:

“The exodus of population from the province, which coincided with the mechanization of the farms in the Forties, virtually has been halted. After a drop of more than 100,000 to a low of 830,000 Saskatchewan’s population again passed the 900,000 mark in 1959.”

Then he winds up with a paragraph which I would like the members of the Opposition to memorize. He says this:

“It is probably true to say that never before in Saskatchewan’s brief but checkered career has a new decade dawned as suspiciously as the Sixties.”

Mr. McDonald: — A New government.

Mr. A.C. Cameron: — Election in the 60’s that’s why!

Premier Douglas: — Mr. Speaker, I have taken some of the House’s time to deal with the economic situation in the province, not because we think on this side of the House that economic and industrial expansion is an end in itself, but because the creation of more wealth makes it possible to improve the standard of living of the ordinary citizen, to give to the average citizen a greater measure of economic and social security and to improve the lot of those who are not able to provide for themselves. That is why in the Speech from the Throne we have placed before the Legislature a program which I like to think of as ‘A Program for More Abundant Living’.

The first item in that program is to continue and accelerate our efforts to stimulate economic and industrial development. To this end we are proposing two things. The first is the extension of the Department of Travel and Information into a Department of Industry and Information. We will put into that Department the Industrial Development Office, the Freight Rates Services Branch, the Trade Services Branch, and the Overseas Office in London, in order that all the agencies that assist and promote industry may be brought together into one department. Legislation will also be introduced to make it possible to set up in various communities Municipal Industrial Development Corporations so that groups of individuals and municipalities, jointly or separately, may set up corporations to help to attract new industry in what is today a highly competitive field.

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The second thing we are proposing is a Family Farm Improvement Program which, in its broad scope, will eventually cover such things as financial assistance in putting in shelter belts and financial assistance to help farmers who want to re-locate their buildings on all-weather roads and where there are power lines. But in its initial stages this program will concentrate upon giving assistance to enable farmers to put in running water and sewerage disposal systems. At the present time only 10 per cent of the farm homes of this province have running water and inside toilets. Now that we have got power in so many homes — and power is absolutely necessary for the pumps that are part of such a system — we feel that we can start on a broad program of mass installation of sewerage disposal and water works in farm homes.

The government assistance will be in three forms: we will do the engineering designing of each project; we will assist by way of mass purchasing and bulk buying of the equipment which will be necessary outside the farm home; and we will give financial assistance in the forms of grants to help farmers put in their water and sewerage systems.

Schools will be held to give farmers and their sons training in plumbing installations so that they can do some of the plumbing inside the house. We think that this will be a program that will help to increase the amenities of life and follows logically upon the power program which has been carried out so successfully.

The third thing in the program we are presenting to the Legislature is group insurance in conjunction with the government at Ottawa. I notice that the leader of the Progressive Conservative party in this province has been trying to take to himself the credit for the fact that this legislation is being introduced. As every member of the House knows, the federal legislation was not passed early enough last year for us to deal with it at our session of the Legislature. This is the earliest we have been able to deal with it. As hon. members know, the federal government proposes to pay 50 per cent of the administration costs and that they will make a contribution of 20 per cent of the total premium paid by the farmers. They will not accept any responsibility, of course, for the contingent liability. That will have to be left to the province. We have made an offer to the federal government that we will pay 50 per cent of the administration costs and we will pay 20 per cent of the premium income if the federal government will assume the contingent liability. This they have refused to do. As the hon. members know, if in some year we had a disastrous crop failure it might cost the province \$100 million. The contingent liability would have to be carried entirely by the province with the federal government lending us the money. But the entire financial responsibility would fall on the province.

The serious aspect of the federal government's proposal is that only those farmers can come into the plan who are willing to forgo their benefits under P.F.A.A. I am very frank in saying that the great bulk of the farmers, particularly in the southern part of the province, will be better off to stay

under P.F.A.A. as they will get more money back for the money they invest in P.F.A.A. than they can out of crop insurance. But there are areas of the province where the saving on P.F.A.A. payments, plus hail insurance payments, may be more than what farmers would be required to pay in a premium under the crop insurance plan. Crop insurance premiums, research has shown elsewhere, run from 6 per cent to 16 per cent or 20 per cent. If it is around 6 per cent or 8 per cent, it may be advantageous to step out of P.F.A.A. and come in under the crop insurance plan. The plan, of course, will be voluntary, except that the federal government has stipulated they will not go into any municipality unless at least 25 per cent of the farmers in that municipality are interested in coming into the plan.

The fourth thing we have in mind is a program of assistance for rural telephone users. Some of them are in very good shape, but some of them are having great difficulties. We propose to give financial assistance to all rural telephone companies to enable them to replace worn-out lines and to enable them to raise their maintenance standards and their maintenance service.

The fifth program is a program to give financial assistance in the re-gravelling of grid roads. I want to say, Mr. Speaker, that the municipalities have cooperated whole-heartedly in the construction of the grid road system. I can remember some of the gentlemen opposite saying in 1956 that the municipalities could not afford to come in and that they would be unable to contribute their share. The fact is that the municipalities have been prepared to build more roads than those already built with the province providing sixty cents out of every dollar. The Leader of the Opposition suggested yesterday, that this question of helping to re-gravel municipal grid roads was for one year only and that it was an election gimmick. That statement, Mr. Speaker, of course, is not correct.

Opposition Members: — Hurray!

Premier Douglas: — That is a statement of government policy and a continuing policy. As each of the grid roads become four years old we will assist in re-gravelling that road on the same basis as we assisted with the construction. Roads that have been built in 1956 will be assisted in 1960; those that were built in 1957 will be assisted in 1961; and those that have been built in 1958 will be assisted in 1962, etc.

The sixth program is a program to assist towns and villages with the installation of sewer and water facilities. Only 35 per cent of all the homes in Saskatchewan have running water and indoor toilets. This is a problem which we must face up to in this modern age. The growth of our communities makes this necessary for sanitation reasons alone, let alone the matter of convenience and comfort. At the present time there are 45 towns of over 500 population which have no sewer and water. There are 15 towns of over 500 population with sewage systems but no water, and 5 towns which have sewer and water but which have an inadequate water supply. We have 4 towns of over 1,000 population which haven't either a sewerage system or a

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water system. It is the government's intention to provide engineering services. Our Saskatchewan Research Council has done a survey of water resources in the province and this survey will continue. It is also our intention to provide financial assistance to these communities to enable them to put in water and sewerage systems.

The seventh program is a program of recreational facilities. There is a growing demand in this province for parks, camp sites and picnic grounds now that people have more leisure and can travel further. This year the government intends to step up its program to acquire land, and it will set up more provincial parks and camp sites and more vacation resorts. The Parks Branch will be transferred to the Department of Natural Resources from the Department of Travel and Information. Legislation will be introduced at this session called the Regional Parks Act which will enable any municipality or group of municipalities to organize for the purpose of establishing and operating a regional park. They will be given financial assistance by the Provincial Government over a stated period of years.

The eighth program is a program for a Medical Care Plan. The government will introduce at this session legislation for the setting up of a medical care program. A great many steps have already been taken in this province toward the goal which the C.C.F. party set for itself many years ago. That goal is for this province eventually to have a comprehensive system of complete health insurance. Already the people of this province have cancer services, care and treatment for mental illness and for polio victims. We have some thirty or thirty-five thousand public assistance cases, mothers' allowance cases, old age pensioners, in receipt of a supplementary allowance, and blind pensioners who receive health cards which entitle them to health services.

In 1947 we set up the first hospital insurance plan in Canada. These have been some steps towards the ultimate goal. The government feels that we are now ready to take the next step and that is to establish a prepaid medical care program covering the entire population. We are sometimes asked why this is needed because most people can take care of their own doctors' bills. In 1951 a sickness survey was made by the Federal Department of Health and Welfare. What did they find? They found that there was more sickness among the low income group than among the upper income group, usually because of bad housing conditions, or poor diet, or bad working conditions. They also found that although these lower incomes groups had more sickness they got less medical care. This would indicate that there are a great many people who do not go to a doctor because they feel that they cannot afford it. I agree with those who say that doctors do not turn patients away because they haven't any money. Of course they don't. The fact remains, however, that the great majority of people don't want to go to a doctor as a charity patient or to be given free treatment because they haven't any money. People want to be able to go to a doctor as they go to a hospital. They want to go with a sense of dignity, feeling that they have paid their way. This is essential if we are to have a good health program.

There are those who think that everybody can belong to a private health program. They forget that in 1957, 32 per cent of the people of Canada didn't earn enough money to pay income tax, and in Saskatchewan 48 per cent of the people didn't earn enough money to pay income tax. According to the D.B.S., 40 per cent of the people of Canada in 1957 earned less than \$3,000 a year and in Saskatchewan 44.5 per cent of the people earned less than \$3,000 a year. It seems very evident to me that there is a very large segment of our population that is not able to put anything aside to take care of catastrophic illnesses. The only way that they can hope to cope with a situation like that is to be able, while they're well, to pay a small sum of money into a fund which will take care of them when they are sick.

I know that there has been some attempt by the Leader of the Liberal party to frighten people away from this program by saying it will be like the British plan, that all doctors will be made civil servants, etc., etc. I'm not going to go into that. Doctors in Britain, of course, are not civil servants. But nobody here suggests adopting the British health plan. The British health plan was devised to suit the needs of an industrial population. It wouldn't be adaptable, nor would it be suited, to the kind of medicine we practise in Saskatchewan or for our sparsely settled population. Mr. Speaker, nobody is going to frighten the people of Saskatchewan away from a province-wide, prepaid medical care program. The people of this province pioneered the whole of the North American Continent nearly 40 years ago when they set up the Anti-tuberculosis League. It was financed by the people themselves. Those who had the misfortune to contract tuberculosis did not contract huge debts that kept them in penury for the rest of their lives. This province was the first province in Canada to set up a municipal doctor plan in which the people, through their taxes, hired a doctor to take care of them when they were sick. The little town of Strasbourg set up the first municipal doctor plan on this continent. Since that time nearly one hundred municipalities, towns or villages have hired municipal doctors.

On July 1, 1946, the people in the Swift Current Health Region — somewhere between fifty and sixty thousand people — set up the first regional prepaid medical program. I happened to be Minister of Health when that was set up, and I have followed it with a great deal of interest since. The people there pay a per capita tax. I think it is a maximum of \$48 per family, and this graduates downward, depending upon how many children there are in the family. They also pay a small land tax. That money goes into a fund. The people have a medical care card. That medical care card entitles them to go to any doctor in the region. They have every care they need. They have a free choice of doctors. The doctor also has a free choice. If he doesn't want to take them he can say, 'I don't want you for a patient.' 'Go to somebody else.' The only difference is that at the end of the month instead of the doctor sending the bill to the patient he sends the bill to the Health Region Board. There the bill is assessed by a committee of doctors appointed by the doctor themselves and when it is approved by the committee a cheque is sent to the doctor. I can remember when this plan was being set

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up in 1946. I was told, as Minister of Health, that a lot of doctors would leave the region. There were nineteen doctors in the region; there are forty-one in the region today. I want to tell you, Mr. Speaker, from my experience in talking to both doctors and patients that neither the doctors nor the patients in the Swift Current Health Region would abandon their plan. They like it!

We are advocating that there should be a province-wide plan. The advantage of a province-wide plan compared to a private plan or even a regional plan is that under a regional or private plan the whole cost has to be charged back to the participants. For instance, my wife and I are members of a private plan. I think we pay \$84 per year. The whole cost has to be charged back to the individual, but by having a province-wide plan you can make the per capita charge smaller. A per capita charge, Mr. Speaker, is a regressive tax. When you charge \$70 or \$75 per family, irrespective of whether the family has an income of \$2,000 a year or \$20,000 a year, that is unfair taxation. We think we should follow the same principle that we follow with hospitalization. When the people of Saskatchewan pay \$35 for their family for hospitalization, that represents less than 30 per cent of the cost of paying the hospital bills. That doesn't mean the rest of the money comes from Santa Claus. The rest of the money has to come out of provincial and federal funds. But it comes out of funds which are collected through income tax, corporation tax and royalties. It represents money which is collected on the basis of 'ability to pay', rather than on a per capita basis which puts the burden on all the people, irrespective of their income. We are hopeful that we can keep the per capita tax which will be necessary for a medical care program on the same level as the hospital tax. This does not mean that it will cover the cost. It means that the rest of the cost will come out of general revenues. It will have to come out of money which is collected on the basis of ability to pay which, in our opinion, is a better way than trying to collect it on a per capita basis. We will also, of course, recognize that there are employer and employee medical care arrangements in the province, and provisions will be put in the legislation to provide that where there are such arrangements, the employers will continue to make their contribution on the same basis as they are doing at the present time.

I notice there is a tendency in some quarters to suggest that the doctors are opposed to this plan but that is not quite fair to them. I wish to point out that the College of Physicians and Surgeons of Saskatchewan, at their annual convention in 1948, passed a resolution which reads as follows:

“Be it resolved that the College of Physicians and Surgeons of Saskatchewan, at this annual meeting, go on record and instruct our Council that we are in favour of a state-aided contributory, health insurance on a reasonable fee-for-service rendered basis which shall include every resident of the

province, provided that the administration of such arrangement is put in the hands of a non-political independent commission on which the medical profession is adequately represented by its own representatives elected by the College of Physicians and Surgeons.”

Neither the doctors nor the public have anything to fear from a prepaid medical plan. Instead, there is much to be gained. It means that we can take from thousands of our people the fear which is inherent in illness and the reluctance to go to a doctor at the first sign of evil symptoms. We are aware of the fact that many people go to a doctor too late, and have been deterred from going to a doctor because of the many other demands upon their income in looking after their families and providing the necessities of life. In fact, delays have often resulted in serious illness and in some cases death.

While there are problems of this program to be worked out, we are hoping a committee representing the Government, the public and the doctors, will work out these details so that it will be satisfactory to all concerned. We recognize that without such agreement before it is presented to the public the plan just won't work, and if it won't work there's no use trying it. We think it is not beyond the ingenuity of man to work out a system whereby people will make small annual contributions that they can afford, (just as they do with their hospitalization tax now) and obtain the health services they require and when they are needed without any relationship to their individual ability to pay.

Mr. Speaker, as I pointed out at the beginning of my address, Saskatchewan is making great strides in economic and industrial development. We think that the 1960's promise to be Saskatchewan's golden years in terms of development. There is a verse in the Bible which says that the measure of 'a man's life consisteth not in the abundance of things which he possesseth'. That is equally true of our province. The measure of abundance and greatness is not just its uranium mines, oil wells, factories or its steel mills. These things are a means to an end and not an end in themselves. In the final analysis, the greatness of this province will depend on the extent to which we are able to divert a reasonable share of the wealth production of this province to make it available to raise the standard of living of our people, and to give them a reasonable measure of social security against old age, against sickness and other catastrophes. Above all, the greatness of Saskatchewan will depend on the extent to which we are able to use the resources of this province to provide greater equality of opportunity, and to make this a place where people can enjoy more abundant living.

I will support the Motion.

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Mr. L.N. Nicholson (Nipawin): — Mr. Speaker, I want to, with the Premier, welcome the guests we have with us this afternoon from the University of Saskatchewan. I believe it is a wonderful thing for our high school students and University students, to see the Government in action, and I think I mean two words. There is only one little word of warning that I would like to leave with them, and that is if you were able to shift the ‘saw-dust from the shavings’. I think you can leave here with a better knowledge of what actually goes on in the Legislature, and also better prepare yourself for the responsibility that will become yours in the very near future.

I want to, along with the other speakers, congratulate those who have spoken before me. I believe the hon. member from Kinistino (Mr. Thibault) did a very fine piece of work in his maiden speech. I think we all agree to that. The mover in reply, the hon. member from Sour-Estevan (Mr. Thorson), in my opinion, tried to build something that does not exist. I don't blame him. If I were sitting over there maybe I would have to do the same thing myself. But we are not, in my opinion, keeping pace with the rest of the west as we should be. I agree with some of the things the hon. member, the Leader of the Opposition said yesterday. He said that after next June there would be a difference in the representation in this House. I believe I am willing to agree with him, but I am going to have to disagree with him as to who those people are going to be. I am going to do my best to see that the results are similar to those in Alberta last June, with regard to the Liberal Party in Saskatchewan, next June. I want also to say that I am going to convey the same wish to the people on the Government side, Mr. Speaker. We are going to do our best to see that we will move both parties out of power.

Mr. Cameron (Maple Creek): — Don't spare the rod!

Mr. Nicholson: — I don't want to take time today, but would just like to mention one thing, and that is we have heard a lot about the progress in Saskatchewan. Surely we must all realize that there has been a terrific amount of progress in western Canada in the post-war years. If we are keeping pace, we undoubtedly have more unexplored oil territory today than the province of Alberta. ‘Oil of Canada’, November 5, 1959, shows that in Saskatchewan we had 24 rigs drilling on November 5th and none preparing to drill. In Alberta there were 145 rigs drilling and seven preparing to drill. All it means to me, Mr. Speaker, is that for some reason or other we are missing the boat, because I am convinced that we have more unexplored territory than the province of Alberta has, and I feel that the longer we miss out on this exploration the longer we are going to be wondering where the money is coming from to do all of the things we need to do.

Mr. Speaker, I beg leave to adjourn the debate.

(Debate adjourned)

The Assembly adjourned at 4:10 o'clock p.m.