

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fourth Session — Thirteenth Legislature
20th Day

Wednesday, March 9, 1960

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

WELCOME TO STUDENTS

Mrs. J.E. Cooper (Regina City): — Mr. Speaker, before the Orders of the Day are proceeded with, I would like to call the attention of the hon. members to a very fine groups of grade VII students from the Argyle School, Regina, with their teacher, Mr. Key. I know the members all will be glad to welcome them here, and we hope they all find it a very pleasant and profitable afternoon.

Mr. Kim Thorson (Souris-Estevan): — Mr. Speaker, before the Orders of the Day are proceeded with, I would like to call the members' attention to the fact that among the many visitors in the gallery are a group of young men from the city of Estevan. They are all members of the Estevan Chamber of Commerce and have come here today to witness the proceedings of the Legislature. I know we are welcome this group of young men from one of the finest and most progressive communities in this province.

Hon. J. Walter Erb (Minister of Public Health): — Mr. Speaker, before the Orders of the Day, I, too, would like to draw the attention of the members of this House to a fine group of young people in the top row of the Speaker's Gallery. These are the grade IX and X pupils from the Milestone High School and are accompanied by their teacher, Mr. Ring. I am sure that the members join with me in the hope that they will find their afternoon here one of profit and pleasure.

Local Government Continuing Committee – Interim Report

Premier Douglas: —Mr. Speaker, before the Orders of the Day are proceeded with I would like to lay on the table an interim report to the Government of Saskatchewan

March 9, 1960

of the Local Government Continuing Committee on the allocation of assets and liabilities during the reorganization of local government s. It is really a working paper which was submitted to the Government which I though might be of interest to the members; therefore, I am tabling this.

While I am on my feet, Mr. Speaker, may I draw attention to a very fine group of young people from the Western Christian College at Weyburn, who are accompanied by Miss Thorkelson and Mr. Mitchell, and say how delighted we are to have them here and express the hope that they will enjoy their visit to the Legislature.

BUDGET DEBATE

The Assembly resumed, from Tuesday, March 8, 1960, the adjourned debate on the proposed Motion of the Hon. Mr. Fines (Provincial Treasurer), That Mr. Speaker, do not leave the Chair (the Assembly to go into the Committee of Supply):

Hon. T.C. Douglas (Weyburn): — Mr. Speaker, when I adjourned the debate last night, I had already extended my congratulations to those members of this Assembly, including yourself, who are withdrawing from public life at the end of this term of the Legislature. I did not include, of course, those members who may be retired by the enthusiastic consent of the electorate. Who they are we won't know until some time later.

The debate on the budget has ranged over a wide variety of subjects, all the way from trade unions in the United States to the advisability of forming a new political party and, therefore, I will be pardoned if I have to move some distance from the budget to discuss the various items that have been brought before the House in the course of this debate. However, I assure the House that I will come back to the budget before I have completed what I have to say.

It has been apparent for some time that the Liberal party, and particularly the Leader of the Liberal party, have been threshing about trying to find an issue for the anticipated provincial election. When the present Leader of the Liberal party was selected, last fall, he announced that the issue in this forthcoming election would be Socialism versus Free Enterprise, and went on to say what he was going to do about the public enterprises now owned and operated by the people of Saskatchewan. I noticed, yesterday, that the member for Humboldt (Mrs. Batten) was regretting the fact that the impression was abroad, which she thought was created by the C.C.F., that the Liberal party would do away with some of the Crown corporations. Now, she need not blame the C.C.F. because that impression is abroad; she can blame the Leader of the Liberal party. I have in my hand the extract from the

Saskatoon 'Star-Phoenix' . . .

Mrs. Batten: — Mr. Speaker, on a question of privilege. I think my words were to the effect that the C.C.F. hierarchy and the members of the Government were trying to spread that impression, not that there was the impression.

Premier Douglas: — Well, that's quibbling. The impression has been spread by the Leader of the Liberal party, and I hold in my hand the extract from the Saskatoon 'Star-Phoenix' of August 27, 1959, which says.

“Mr. Thatcher said he would favour the sale of most of the minor Crown Corporations in the province if a Liberal Government were elected next year. He said also he would favour the sale of the Saskatchewan Government Insurance to private enterprise if he were assured that it would continue to operate in Saskatchewan.”

Now, the member for Humboldt tried to refute this by quoting a resolution from the convention which followed this statement. The fact remains that, the morning after the convention, the Leader of the Liberal party announced that he would pay no attention to the resolutions passed by the convention, but that he and a committee of the party were going to select the program.

Mr. A.H. McDonald (Leader of the Opposition): — Mr. Speaker, on a point of privilege. . .

Premier Douglas: — Mr. Speaker, there is no question of privilege.

Mr. A.H. McDonald: — I meant on a point of order. You'll sit down and I'll state my point of order. The point of order is, Mr. Speaker, that the statement the Premier has attributed to the present Leader of the Liberal party is not in accordance with the facts.

Premier Douglas: — That is not a point of order.

Mr. McDonald: — His remarks were confined to the resolution that he would produce a program, the same way as the C.C.F. produce theirs or any other political party.

Premier Douglas: — No, our convention produces the program not the leader of the party. In fact the Regina 'Leader-Post' in an editorial, September 30, goes on to state that the resolutions passed at the Liberal convention are not a manifesto, that they cost too much money, and that the program for the party would be selected by Mr. Thatcher and the committee.

March 9, 1960

The fact is, that this attempt to have the issue of public enterprise versus free enterprise has met with such an unfavourable reaction that the Liberal party are now trying to back down. They have demonstrated that, both they and the Social Credit party in this House, in this debate, as they have kept harping about the size of the self-liquidating debt which has been accumulated to put in power and gas and telephone services in the province, despite the fact that this debt does not fall on the taxpayers of this province. It will be paid off by the people who use the services of power and gas and telephones. As a matter of fact, in any province which has utilities, the people who use the services pay off the debt.

Government Members: — Hear! Hear!

Premier Douglas: — In the province of Alberta, where power and gas and telephones are under private utilities, they borrow money. Who do you think is going to pay both the interest and the capital debt? Why, the people who use the services. The only difference is that, whereas in Alberta and British Columbia the people who use the service and retire the debt don't own the utility when it is finished, in this province, when our people pay off the debt, the utilities will belong to the people themselves. So they decided this isn't a good issue.

Then the Leader of the Liberal party started picking new issues: economic stagnation in the province. This, of course, became so silly that he has finally had to drop it. Here is the February issue of a magazine called 'Trade and Commerce'. On the editorial page the editor said he had just completed a tour through western Canada, and the thing that impressed him most was the industrial activity in the province of Saskatchewan, where he found more optimism than anywhere else in the west for the prospects for the coming year, both in construction and manufacturing and processing.

The people of this province are getting a little tired of the attitude of the Liberal party for the last 15 years, and that attitude is, "If we can't run this province we'll ruin it." And it's not working. The people of this province are proud of the progress which they are making.

Then the Liberal Leader thought he would pick another issue, and when I announced that the Government was planning to implement a prepaid contributory medical-care program, all the Liberal party had to do, if they agreed with us, was to say, "Well, we're in favour of that too." But the Liberal Leader rushed in first to call this 'state medicine', saying it would be like the British medical plan, although I had specifically stated that the British medical plan would not be adaptable to our circumstances. He rushed in to say he had a medical plan of his own, and I will give you his own description of it: it was

contained in the 'Leader-Post' of October 9, 1959. He said: "It would be a voluntary-type medical-care plan which would represent a private enterprise undertaking."

Now, he has never elaborated what that means, and not one member of the Opposition since this House started has stood up to tell us what a "voluntary-type medical-care plan which would represent a private enterprise undertaking" really is. The fact, of course, is that he has found now, throughout the country, that people want a prepaid medical-care plan similar in structure to the hospital plan; and the other night, the Liberal Leader, speaking in Regina, said the medical-care plan is not an issue any more: "We'll have a plebiscite and that will settle it."

But where does the Liberal party stand on this? Are they for a public plan operated like the hospital insurance plan, or are they in favour of some private enterprise plan that they have never defined? They talk about a plebiscite. It would be very easy for the Liberal party to submit in their plebiscite a plan whose cost would be so high, and it would be so unacceptable, that the people would turn it down. We have had some experience of Liberal Plebiscites. There was one, if I remember, about "not necessarily conscription, but conscription if necessary."

So the Liberal party decided this is not an issue, and now they've got a new issue. They say now the new issue is the proposed merger of a new political party which would include the C.C.F., the trade unions, organized farm groups and other liberally minded people. And they said THIS is the issue. Not only do the leaders say this, but one after another the members in this House got up and said, "What about this new party? Why, if people vote C.C.F. in this forthcoming el they don't know what they are voting for. Six months or a year later there may be no C.C.F.; so people don't know what they are voting for."

I want to tell the members of the Opposition a little of the history of the C.C.F. that they are not familiar with. This organization in this province was born in 1932 by bringing together United Farmers of Canada (Saskatchewan section) under the leadership of Mr. George H. Williams and the Independent Labour Party of Saskatchewan under Mr. M.J. Coldwell. They formed the Farmer-Labour party. In the year 1933, the first national C.C.F. convention was held here in the city of Regina. The Farmer-Labour party of Saskatchewan affiliated with the National C.C.F. organization. But under our constitution, as it was then and as it is now, the provincial organization retains complete autonomy, and its decisions are made by its constituents at provincial conventions. So we retained the name 'Farmer-Labour Party'. Those members who were elected to this Assembly in 1934 continued to sit in the House as Farmer-Labour members. It was not until we went to the country in 1938 that we changed the name in this province to

March 9, 1960

the Saskatchewan C.C.F. This has been done elsewhere. In the province of Quebec, the provincial branch of the C.C.F. there is known as the Social-Democratic party, but it is affiliated nationally with the C.C.F. organization.

There is nothing magic about this talk of a new political party. Ever since 1933 we have looked for the day when other organized economic groups of farmers and industrial workers would come into the C.C.F., whether it continued under that name or some other name. This has been the trend in every modern country in the world. In Great Britain there had been a small Independent Labour Party at the turn of the century. In 1906, the Trade Union Congress of Great Britain, which by its constitution, could not come into a political party any more than the Canadian Labour Congress can come into a political party, advised its affiliate members to join in a new party to be called the Labour party. Four years later the British Committee-operative Movement, both in England and Scotland, joined the British Labour party. Most members sometimes forget that 86 seats every year are set aside in Britain for a committee-operative member to run in on behalf of the British Labour party.

That was the development in Britain and in most European countries. In Canada and the United States, however, under the leadership of Mr. William Green, trade unions were advised to stay out of politics. This has been the policy on this continent until recently. In the last two or three presidential elections in the United States the labour movement has actively supported one political party. And in this country there has been an increasing realization on the part of organized workers that, if they are to get their fair share of the national income and if their economic interests are to be protected, they must eventually take political action. A growing number of farm organizations have recognized the same thing.

One of the reasons why I would be in favour of some enlarged organization is because all my adult life I have been interested in the plight of the farmers and particularly the prairie farmers. At the turn of this century, 50 per cent of the population of Canada lived on farms. By 1941 this had dropped to 31 per cent. The Gordon Commission says that this has now dropped to 14 per cent and that, by 1980, this will have dropped to 8 per cent.

The Leader of the Opposition, himself, the other day, said that the city of Toronto has as many members in the House of Commons as the province of Saskatchewan. This is true. What chance are the farmers of this country going to have in the Parliament of Canada where the laws of this nation are made, unless they find economic allies? Are they going to find their economic allies with the Manufacturers' Association? Or with the mortgage companies? The only place they can find allies are with those people who have a common affinity with themselves, because the farmer depends for the sale of his products on the purchasing power of the workers; the worker depends for the sale of his products upon the purchasing power of the farmer.

Whether it happens soon or whether it happens later, the relentless trend of history will finally make it inevitable that organized agriculture and organized industrial workers will take political action, and it is our hope that they will take it in conjunction with the C.C.F. movement in Canada. I don't know whether this will take one year, two years or twenty years; but when it does come, I want to make it abundantly clear what the position of the Saskatchewan C.C.F. is. I want to, therefore, read this statement:

“Let me make clear the position of the Saskatchewan C.C.F. regarding any new national party which may be formed as the result of discussions now taking place between the national C.C.F. organization and the Canadian Labour Congress. Such a move will not in any way affect the status of the Saskatchewan C.C.F. We are now affiliated with the National C.C.F. organization. The annual convention of the Saskatchewan C.C.F. will decide whether or not to affiliate with the new party if and when it is formed. If it is decided to affiliate with the new party the position of the Saskatchewan C.C.F. will remain unaltered. This will not affect the provincial autonomy we now enjoy under our constitution, and our policy will continue to be set by our annual and constituency conventions. Those members who are elected to this Assembly as C.C.F. members will continue to sit in the Assembly as C.C.F. members. If we form a government we will continue as a C.C.F. government until such time as we go before the electorate in another provincial election.

“The assertion that those who vote for the C.C.F. in the next election don't know what they are voting for because the C.C.F. may go out of existence, is merely an attempt to deceive the voters. Those who vote for the C.C.F. will know that the members elected are the same; our platform will be the same, and the name of our party will be the same, the Saskatchewan C.C.F.

“The fact that our provincial convention may or may not decide to affiliate with an enlarged national federation for the promotion of those social and economic ideals we hold in common, will in no way alter our status or our policies in this province.

“Twenty-eight years ago we began as an amalgamation of farm and labour groups. We have proven that such an amalgamation can work together to improve the lot of both the farmer and city dwellers. If at any time other groups holding similar views to our own, wish to join our ranks, we will welcome them. However, this will in

March 9, 1960

“no way change the personnel, program or the name of the party. If the people of this province elect a C.C.F. government in the next election, then a C.C.F. government it will remain for its entire term of office.”

Mr. Speaker, I am making this statement with the full authority of all my colleagues in this Assembly, and with the complete approval of the provincial executive of the Saskatchewan C.C.F. organization. I want to say that this statement is not a declaration of any new policy. It is a clarification for the benefit of those who are not familiar with the C.C.F. constitution. The C.C.F. provincial organization has always had complete autonomy, and their policies are set at the annual provincial and constituency conventions. No broadening of the base of the national organizations will alter the status or program of the C.C.F. party in Saskatchewan. I may say that this stand is in line with the expressed declaration by the joint committee of the C.C.F. and C.L.C., which is to the effect that in any national organization which may be formed, each provincial group shall continue to exercise complete provincial autonomy.

Have you ever noticed, Mr. Speaker, that people who are very good at minding everybody else's business usually aren't so good at minding their own? My friends across the way have spent almost half the time of the debate in this Legislature telling the C.C.F. how to run their affairs. Maybe the Opposition should look at their own internal affairs. Here is a party that was in office for 34 years in their inaction and ineptitude. They have wandered in the political wilderness for 16 years. Have they ever stopped to ask themselves why? I can tell them. It was because the people of this province know that this is a party without a philosophy and without a program. In 1948 they went to the country shouting “socialism, bureaucracy, regimentation”, and people laughed at them. In 1952 they went to the country screaming “economic stagnation.” Remember Mr. Tucker saying that not a barrel of oil would be produced in Saskatchewan as long as there was a C.C.F. government! People didn't believe him. In 1956 they went to the country promising that they would give the farmers back the \$500 they had paid to install power, but the farmers knew perfectly well that to do that they would have to borrow \$25 million or so, which would add to the debt which the farmer would have to pay back through their power rate: not only \$25 million of principal but over a 20-year period, another \$25 million in interest. Therefore, they knew that either they had to borrow the money or they had to raise the power rates. The farmers weren't fooled by that. Maybe the Opposition weren't bright enough to see it, for the farmers were.

Government Members: — Hear! Hear!

Premier Douglas: — The fact is that they haven't got any consistent philosophy. They can't fool people when they stand up in debate and say, "We're going to cut taxes, but we are going to increase expenditures." It doesn't fool anyone. They stand up and say, "We will let the farmers drive their trucks with purple gas," and the farmers know that this means a loss of some \$2 1/2 million in revenue and that, if you cut your revenue, you have to cut your expenditures, and that, if you cut expenditures on municipal roads by \$2 1/2 million, the municipality would have to put 4 mills on all the farm lands in Saskatchewan to make up the difference. They know that.

They talk about Alberta, but the farmer knows that in Alberta they pay \$10 more for a farm truck licence; they pay \$45 more for the insurance on a farm truck — \$55, and it is estimated that purple gas would save the average farmer \$24 a year. The farmers also know that in Saskatchewan on any truck that is over 10 years of age, they only pay \$10 for a licence, whereas in Alberta they pay \$35 and in Manitoba \$60. They also know that in Alberta they can only use a farm truck to draw their own produce, whereas in Saskatchewan they can draw other people's produce and do work for the municipality. They're not fooling anybody. The fact is, of course, that the real thing against the Liberal party is not what the C.C.F. say about them.

The member for Humboldt yesterday was very sad about the things the higher hierarchy of the C.C.F. were saying about the Liberal party. The greatest thing the Liberal party has to live down is its own record. The people have long memories, and the record of the Liberal party smells to high heaven and the people know it. The people of this province have not forgotten that the Liberal party voted against The Farm Security Act, they voted against The Trade Union Act, they voted against giving 18-year-olds the vote, they voted against car insurance and described it as the greatest "political hoax" that had ever been introduced in this province.

Yesterday the member for Humboldt said that these false impressions had been created for instance, that the Liberal party would be a threat to the civil servants. Mr. Speaker, we don't need to say that. The people remember that, every time a Liberal government came in, there were wholesale firings and that patronage took over, that the civil servants were never allowed to organize a bargaining agency as they have now under the trade union agreement. She said that the myth had been created that they were anti-labour. We didn't create the myth. People know the speeches that are made, like that of the member for Saltcoats (Mr. Loptson); people know that in the only Liberal government in Canada, in the province of Newfoundland, last year was passed a piece of legislation the like of which can not be found in any part of the British Commonwealth, legislation which gives the Cabinet the right to disorganize a trade union and take away its trade union status even though 90 per cent of its membership wants that trade union. People have not forgotten that.

March 9, 1960

Then the hon. member for Humboldt thought that they weren't getting credit for their health program. It is not what we say about the Liberal health program. The people of this province know that, in 1919, at the convention at which the Rt. Hon. W.L. Mackenzie King was chosen leader of the Liberal party, the Liberal party pledged itself to bring in comprehensive national health insurance and when they left office in 1957 after being in power for over 30 years, what did they leave behind? — A national hospital insurance act which had not paid one dollar for anybody's hospital bills in Canada, because they put a 'joker' in the act and said this could not be paid until a majority of the provinces of Canada, representing a majority of the people, came into the plan. In other words, those who had hospital plans could not get any benefit unless either Ontario or Quebec came in. It was not until a Conservative government came in that the joker was taken out and we got some payments, but we lost millions of dollars because of the joker the Liberals had put in that act. They passed the act, but they made absolutely sure that under the act they weren't going to have to give us any money.

I noticed, yesterday, the statements that were made both by the member for Pelly (Mr. Barrie) and the member for Humboldt about all they were going to do for old-age pensioners, mothers' allowance cases and for the needy. Again, Mr. Speaker, if the public are sceptical, it's because the public have good memories. This country is almost a hundred years old and yet, in its entire history, there has never been a Liberal Government in Canada who has ever paid one dollar of supplementary allowance to an old-age pensioner.

Government Members: — Hear! Hear!

Premier Douglas: — There has never been a Liberal Government in Canada that has ever provided health services to any of these public assistance groups. Now that they are out of office they say, "Oh, look what we'll do for you." Well, the people have followed the policy of 'once bitten, twice shy'.

Mr. McDonald: — Why didn't you have courage to make this Speech where someone could answer you?

Opposition Member: — You're lacking it today.

Premier Douglas: — It's rather significant that this debate is almost finished and the Leader of the Opposition has never opened his mouth on the budget. For a very good reason: he has nothing to say.

Mr. McDonald: — I'll tell the Premier why I didn't. I was waiting for you.

Mr. Speaker: — Order! Order!

Premier Douglas: — Now, Mr. Speaker, we have finally come to the point. . .

Mr. McDonald: — If I had the opportunity to answer it, I would be only too pleased and happy to do so. He hasn't got the courage. He won't say that where anybody can answer it, in the House or outside.

Premier Douglas: — I was just going to say something nice about the Leader of the Opposition, now you've spoiled it for me. I was going to say the Liberal party had followed this irresponsible attitude, but that recently the Leader of the Opposition had been trying to take a more responsible position, and I was genuinely sorry (and I have said so in this House) when he announced his retirement last fall. Then the Liberal party had to look for a new leader, and the two main contenders were, first, the hon. member for Maple Creek (Mr. Cameron) who took a very fine position and said that the Liberal party would not get anywhere screaming against Socialism and talking against labour and being negative in its criticisms, the Liberal party was only going to get somewhere if it had a definite policy and a progressive program, and with that I agree. Instead of that, however, the Liberal party chose an ex-Socialist M.P. — I think I can call him an ex-Socialist M.P. if he is going to keep on referring to me as the Socialist Premier of Saskatchewan.

In an article in the Winnipeg 'Free Press', September 21, 1959, and in an article in 'McLean's Magazine', written by Mr. Blair Fraser, these articles said that, during this leadership contest, a group of well-heeled individuals in the city of Regina had put up \$50,000 for the Liberal party but where were some strings attached. One of the strings was that Mr. Thatcher must be chosen as leader. There were some other strings that I will discuss at some other time, but this was the main string. The Liberal party had to choose between following a constructive program or following a policy of opportunism. They chose the policy of opportunism and expediency which, in my opinion, must inevitably lead to the sea of oblivion.

Liberal speakers have spent a good deal of time in this debate telling us what is wrong with the C.C.F. I want to make two simple prophecies and they can take them or leave them as they like, but I think they ought to ponder them. The first thing I am going to say to them is that, in the forthcoming election, the Liberal party isn't going to be fighting to form a government, it's going to be fighting to stay as the Official Opposition...

Government Members: — Hear! Hear!

Premier Douglas: — . . . because it is going to have two other parties breathing down its neck and, unless it can show a greater sense of responsibility than it has shown in the past, it could easily be replaced in this House as the Official Opposition.

March 9, 1960

The second thing I want to tell them (and I know whereof I speak) is that the present Leader of the Liberal party will so completely wreck their party that within two years the remnants will be coming either to the present Leader of the Opposition or to the member for Maple Creek asking him to pick up the fragments and “put Humpty Dumpty together again”.

These ‘straw men’ that the Liberal party has tried to use as issues, it seems to me have very easily been knocked over. There are only two issues when an election takes place. The first issue is the record of the present Government, and the second is the program which the Government will be presenting to the people of the province.

Let me say just a few words about the record of the present Government. I have in my hand a little yellow card containing the 11-point program upon which those of us who sit to your right, Mr. Speaker, were elected in 1956. I cannot go into detail on each of these 11 points, because I want to leave some time for my colleague, the Minister of Travel Information (Hon. Mr. Brown); but let me just touch on each point briefly.

Number one in that program was that we undertook to spend \$100 million on a provincial highway program in this term of office. We have already spent \$95.3 and there is now an appropriation before the House which will mean an expenditure of \$122.3 million.

The second thing we promised was that we would contribute an average of \$3 million a year for municipal roads. Well, Mr. Speaker, we have spent already on municipal roads \$19.2 million, or an average of \$4.8 million. If you add bridges and ferries, it is a total of \$23.4 million, or \$5.8 million a year, and there is another \$7.1 in this budget. On grid roads alone in the past four years in this term of office we have spent \$17 million; the municipalities have spent nearly \$10 million, making a total of \$27 million that has been spent on the grid system.

Item number three said that we would increase substantially the Provincial Government’s contribution to the cost of education. In the year when we made that promise our contribution to education was \$13.4 million; in this budget it will be \$28 1/2, — more than double. What is even more important, at that time our contribution represented 31 per cent of the total cost of primary and secondary education and this year, it will represent some 45 per cent of the cost of education.

Item number four said that we would bring up to 65,000 the farms supplied with electricity and would double the generating capacity of the province. This is one target we are going to fall short of. We are now past the 55,000 mark; by the end of the year under review we will be coming close to 60,000, but we will not reach the 65,000

in this period. We have increased the generating capacity of the province from 286,000 kilowatts in 1956 to 585,000 kilowatts on the first of January this year.

Number five: we promised to bring natural gas to all the cities and intermediate towns and villages. All the cities of the province are now served with natural gas. In all, there are 68 communities now receiving the benefit of this service, and 22 more communities will be added this year. There are already some 60,000 people in the province who are getting the benefit of natural gas.

Item six: we said we would continue the rapid development of oil, mineral and forest resources. Mineral production has gone up from \$122.7 million in 1956 to \$213.7 last year, an increase of \$91 million. Oil production has gone from 20.3 million barrels to 47.7 barrels, more than double. Our forestry production has remained at the fairly stable figure of \$8 million.

Item seven said that we would expand existing drainage, irrigation and reclamation projects, and during the four years under review we have spent already \$7.2 million. If you include what is in the present budget it will be \$9.1 on this program, and I may remind the House, Mr. Speaker, that we have kept our promise to proceed with the South Saskatchewan River Dam Development project, just as soon as we could get an agreement from the Government of Canada.

Item eight said that we would extend the Hospital Plan to include outpatients and other health services. I want to remind the House that outpatient services were extended to cover tissue pathology in 1956, to include outpatient service within 24 hours of injury in 1958, and that outpatient service for minor surgery is to be set up this year. We extended the Hospital Plan to cover Uranium City and the northern areas. We have reduced the waiting period for newcomers from six months down to three months. We have set up, in the past four years, four new Health Regions and the last Health Region, Saskatoon rural will, it is anticipated, be set up this year. We are building under this budget a new regional mental hospital at Yorkton, and we are increasing the grants to the Anti-Tuberculosis League.

Number nine said that we would expand social welfare benefits. We put in housing projects – 50 units at Weyburn, 110 units at Regina. We put in land assembly projects – 265 units at Moose Jaw, 177 at Swift Current, and 79 at Weyburn. We are increasing under this budget the grants for nursing homes and hostels. We now have housing accommodation for elderly citizens, under our housing program, for some 3,400 people, 326 more are under construction, 200 more will be provided for this year. We are building a 100-bed geriatric centre at Swift Current under this budget, and we have increased the basic mothers' allowance during our present term of office.

March 9, 1960

Number ten said we would continue to attract new industry to provide employment and create local markets for farm products. In the past four years 320 new companies have been established in Saskatchewan; 42 of these were major concerns, representing a total investment of over \$120 million. Our manufacturing in this 4-year period has gone up from a value of \$298 million to \$341 million and, at the present time, our non-agricultural labour force in Saskatchewan is the highest in our history.

Item number eleven said that we would protect and improve working conditions of wage earners, especially those in the low-income brackets. I point out to you that we have increased the minimum wage during our present term of office; we have provided for three weeks' annual vacation with pay for those who have had five or more years' continuous service with the same employee; we have abolished ex parte injunctions in labour disputes, and we have made further improvement to The Workmen's Compensation Act.

That, Mr. Speaker, is the platform on which we were elected, and I am perfectly content to take that record back to the people and ask for their endorsement on having done what we were asked to do.

I said the second issue would be on the program which we are not submitting to the people, part of it through this budget and in the announcements in the Speech from the Throne. I can only mention it briefly as it has been elaborated on by other Ministers and will be further discussed when legislation is before the House. But they number such things as crop insurance, under which we will match the contribution of the Federal Government 50 per cent for administration costs, and we will also contribute 20 per cent of the premium income which we will put into a disaster fund to help insure our contingent liability.

Number two: a family farm improvement program to help improve the farmsteads of this province. We will start this year on sewer and water for 1,500 farm homes. Some people opposite have said that this is not very many. This is how we started the power program. When we started power we tried to electrify 1,500 farm homes the first year, 3,000 the next year, and kept stepping it up until we reached the figure of 7,500 farm homes per year. We will start this year on a sewer and water program for farm homes, and I want to say that already, in the municipalities where discussions have been held with the ratepayers, there has been a most enthusiastic response and a very excellent sign-up.

This budget will also provide for assistance to towns and villages to put in sewage and water systems. This will be of great assistance to these communities. This, of course, is a continuing program.

The fourth thing that this budget will provide is assistance to rural telephone companies by which we will pay one-third of the cost of telephone poles on lines that are being replaced, and wherever rural telephone companies want to form a qualified maintenance unit we will contribute \$2.50 per telephone installation to help to hire a full-time person to maintain their lines.

The fifth thing is that we will continue, and step up, our contribution to the municipal road program, particularly the grid road system, and we are introducing this year the re-gravelling of the grid roads when they are four years old. This will be a continuing program until all the grid roads have been re-gravelled.

This budget makes provision for supplying a building for a headquarters in any district where a community wants to form a regional library.

This budget provides for one of the most extensive highway construction programs in our history.

This budget also will provide for taking gas to more and more communities, and my colleague the Minister for Information and Travel will be saying something about that in a few moments.

One of the advantages of public enterprise, Mr. Speaker, is that we do not just go to the communities where you make a lot of money. We will, now that we have supplied the cities, start to take the benefits of natural gas to smaller communities which a private company would pass by; into communities where we are not going to make money, communities who may not even contribute anything to the main transmission pipeline, but will just barely pay the operating costs. We have always contended that whether people live in a hamlet or a village or a town they have some right to the amenities of life; and only under a public utility system can this be adequately provided for them.

This budget will provide for the first publicly owned hydroelectric plant in the province to be established at Squaw Rapids. This is a tremendous undertaking. This will provide power not only for our farms and our towns and our cities, but will supply power for the industry that we feel certain will be developed in that part of the province.

This budget will provide for new buildings at the University and for extension to Regina College, which later is to give academic degrees and degree courses. Our University is growing rapidly and more and more of our young people are going on from high school to university and to higher institutions of learning. This budget is helping to provide not only more money for operating costs, but more money for capital investment.

March 9, 1960

This budget also provides for the beginning of establishing a prepaid province-wide medical care program. This is a program which follows in logical sequence with the other things we have done. As I said in the House before, this province has moved a long way in 40 years. It has dealt with tuberculosis, cancer, polio; set up municipal doctor plan, union hospital districts, one medical care program in the Swift Current region; set up the first province-wide hospital insurance plan. Now we feel the time has come to find some way by which, through a contribution from each individual and subsidized out of the provincial treasury, a fund, sufficient to see that every person in the province can get the medical care they require when they require it, irrespective of their financial ability to pay, may be established.

This, Mr. Speaker, is the real issue in an election, not whether there is going to be a merger or a new party. This is the program to which those of us who sit in this group are committed, and this is the program against which the gentlemen opposite, one after another, have said they are going to vote.

When you take the vote some time this afternoon, Mr. Speaker, let them not forget this budget is an act of faith in the future of Saskatchewan, and particularly in the future of rural Saskatchewan. This budget is an attempt to take some of the wealth which has come out of industrial development and divert it into rural areas because of the farmers' drop in income; to use some of this wealth from industrial development and resources development so we can improve the standard of living of our people, give them some of the amenities of life and, above all, give them a greater measure of social and economic security.

Mr. Speaker, because I believe that this program, which will be made possible in part by this budget, will do much to make Saskatchewan a better place in which to live, and will give our children after us the hope of living in a better land, I will support the motion.

Hon. Russell Brown (Minister of Travel & Information): — Mr. Speaker, as I rise to take part in this debate in its dying moments, I am sure that I have the whole-hearted sympathy of everyone in the House, the members on the floor, and the people in the Gallery. I find myself in the position of having to follow the Premier and the speech he has just made. As a matter of fact, I was beginning to wonder whether or not I was going to be permitted to take part in this debate, and I have been trying to make up my own mind whether or not there was some fear on the part of our Whip that, in participating in this debate, I might be even more boring than some of the people opposite who spoke during the last few days, or whether or not they were, in fact, keeping the best until the last. I was disabused on that after listening to the speaker who just preceded me.

During the last three years when I have risen in this House, I have tried to report to the best of my ability on some of the activities for which I am responsible. I might say that I have, of course, responsibility for a department of government but, unfortunately, during the last few years I have not found it possible to say very much about the Department of Travel and Information simply because I have found it necessary, every session, to spend some time dealing with the activities of the Saskatchewan Power Corporation, and attempting to straighten out some of the ridiculous statements, and clearing up some of the criticisms which are levelled at the Corporation by my hon. friends opposite. I cannot understand just why the Opposition find it necessary to attack the Corporation at every opportunity, to try their best to discredit it in the eyes of the public, unless it is simply because, first, it is a large corporation, probably the greatest undertaking in the province of Saskatchewan, and they are of the view that anything that is big and successful you should attack, or, second, because they are beginning to realize more and more over the years, that the position of the corporation in the eyes of the public of Saskatchewan is such that it is necessary for them to attempt to discredit the Corporation simply for selfish political purposes.

The Corporation is responsible, of course, for spending a larger amount of money each year, than any other department or agency of government, and I want to say that we have attempted, over the years, with these large sums of money which have been provided for corporation purposes, to build and operate one of the finest, most modern and efficient power and gas utilities in the Dominion of Canada. I am satisfied that the record of the Corporation in development and in efficiency of operation is second to none of any utility which you may care to examine across the Dominion of Canada.

I want at this time to pay tribute to the staff of the Corporation from top management down to the last lineman who goes out in all weather to make sure that power is available to our people when they require it. I have found through association with them over the years, that they are absolutely dedicated to the spirit of public service, and I want to commend them for the very fine job that they have done, and to assure them that the job that they have done, and will do, is certainly appreciated by the people of Saskatchewan.

Last year when the Provincial Treasurer rose to make his budget address he informed the House that he would be borrowing on behalf of the Power corporation some \$36 1/2 million. That \$36 1/2 million, together with some funds which were available within the Corporation itself, enabled us to mount a program last year, which cost in the neighbourhood of \$42 million. This amount of money was spent on many hundreds of different projects throughout Saskatchewan: on generation, on transmission facilities, on distribution facilities, on gas lines, gas distribution systems and administration. I am not going to attempt to give you all the detail with respect to all of the projects on which this money was spent, but I would like to give you a rough idea of some of the major expenditures which we undertook, last year.

March 9, 1960

Some \$9 1/2 million was spent on generating facilities in the province. Of that, we spent approximately \$2,700,000 towards the completion of the Queen Elizabeth power station in Saskatoon, which was officially opened by Her Majesty the Queen, last July. That pretty well completed the work in connection with the installation of two 66-megawatt units in that station. We spent, too, last year, in the neighbourhood of \$4,870,000 on Boundary Dam. Again this allowed us to press forward with the installation of two 66-megawatt units which were slated as the amount of capacity to be included in the first development of that plant. We spent about a half a million dollars on development work on the Squaw Rapids project and, as you know, we announced that we would commence active work on that project during the year 1960. We also spent something like \$400,000 on development work with respect to the power installations at Coteau Creek on the South Saskatchewan River project.

On transmission we spent, last year, something like \$8 1/2 million, and this was devoted to about 65 or 70 different projects. One of the main ones in which you may be interested was work on the Boundary Dam to Yorkton 138 KV line. This line, some 154 miles in length, took something like \$1,300,000. Last year, too, we completed a line, a 138 KV link from Pasqua to Chaplin, taking it closer to the city of Swift Current, with power from the Boundary Dam generating station. This entailed about 59 miles of 138 KV line at a cost something in the order of \$490,000. Last year, too, we proceeded with work on the link between the Manitoba and Saskatchewan systems which we announced in the Speech from the Throne last year. We built 90 miles of line from the Boundary Dam station to the Manitoba Border, and this line of course has been insulated for 230 KV, and cost approximately \$1,000,000. We spent about \$4 1/2 million on our distribution system, and this included expenditures on installations in new villages, hamlets, resorts, and one of our major expenditures was in connection with the inclusion of oil wells in the oil fields in the various areas of Saskatchewan. Some money was spent on the rebuilds and extensions to our system, and, of course, we added a large number of farms to the rural system last year, spending on that something like \$3,690,000.

Last year our gas program amounted to something like \$13 1/2 million, and you will recall that we announced that we would be building a north-south connection to joining the northern and the southern systems, this to cost something like \$2 million. We announced too, that we would build a line from Regina to Yorkton at a cost of something like \$2 million. We also announced that we would be building a line from St. Louis across to Melfort and Tisdale, for the purpose of serving those two major centres and some of the smaller communities along the way. This called for an investment of just over \$1 million. Last year, too, we built a transmission line from Wilkie to Unity in order to assure continuation of supplies to Unity, and in order to make some use of the storage field in that

area. We also spent about \$720,000 for the purpose of providing a transmission line from Alida to Steelman in order that we could accept delivery of dry gas from the new flare gas plant which was to come into production in the Alida district some time towards the end of 1959.

As the Premier announced when he was speaking a few moments ago, last year we provided service not only to the City of Yorkton (the last in the province to be served), but also we included some 21 other communities in the natural gas system.

That is a brief review of what we did in 1959, and I would like to turn now to our program for 1960. I am sure this will be of interest to members of the House, not only because a great number of them are awaiting with interest the announcement of the points to which we will take natural gas service this year, but also I do know that there are questions in the minds of a number of members with respect to reinforcement of the supply of electrical energy in their area.

The Provincial Treasurer, in this year's budget address, advised the House that it would be necessary for him to borrow on behalf of the corporation, not \$36 1/2 million, but this year, to carry out the program which is necessary in order to continue our work in providing sufficient generating capacity, transmission line, distribution system, and to continue with our program of taking natural gas to other communities in the province, it would be necessary for him to borrow \$49,600,000. Again I would like to remind hon. members that this amount of money will be spent on some hundreds of different projects, both gas and electrical, in all areas of the province, and I certainly don't intend to take the time to detail all of those projects. I would like, however, to give the House some idea of the main areas of expenditures during this year.

Again starting with generation, I would like to say that we expect to invest some \$12 million in our generating facilities this year. Of this amount approximately \$9 million will be spent on the Squaw Rapids hydro project. This year our expenditures on the Coteau Creek project will increase to some extent, and we will likely spend just over \$1 million on our work on that particular project, and part of this will go for the Corporation's payments towards the Province's cost of the dam itself. This year we will only have to spend about \$300,000 on the Queen Elizabeth Station, and that will practically complete the work on that plant. On the Boundary Dam Station we will be spending something like \$337,000, and again this is just an amount to permit us to clean up the last remaining details in order that those plants will be fully operative and ready to go. We will be spending, too, something like \$400,000 in smaller amounts, on our existing stations in various parts of the province.

For transmission, this year, projects total somewhere between 75 and 80, and we will be spending something over \$9 million on our

March 9, 1960

transmission facilities. A few of these: \$337,000 to complete the Boundary Dam to Brandon tie which, as I mentioned a moment ago, is to be energized at 230 kilovolts. We will be spending \$527,000 to complete another 57 miles of 138 KV line between Chaplin and Swift Current. I am sure the member for Swift Current and other members in that part of the province, will be glad to know that this project is going to go ahead because, quite frankly if we were not able to build this line into that area this year, there was some doubt in our minds, at least, as to whether or not we would be able to provide sufficient energy from other lines to the area during the coming winter, sufficient energy to keep from having to apply some sort of a rationing system.

The rest of the money will be spent mainly on switching stations in connection with the various power stations, and in connection with some of the major transmission lines which we will be building during the year. We will be spending a considerable amount of money on 72 KV lines in various areas of the province. These, generally, are designed to improve the capacity in those areas, and I might just mention – from Prince Albert to Shellbrook, North Battleford to Lashburn, Pasqua to Buffalo Pound, Canora to Kamsack. All of these will call for expenditures ranging anywhere from \$200,000 to \$450,000.

We will, too, be spending some money on sub-stations; about a half a million dollars. These again are necessitated by the building of the 72 KV lines, and mainly they will be built at Oxbow, Estevan, Weyburn, Nipawin, Kamsack, Lashburn, Shellbrook, and a number of other points. About a million and three-quarter dollars will be required this year to rebuild some of our sub-transmission lines which are rapidly becoming out of date, and are not capable of carrying the loads which are required due to the increasing consumption by the consumers in those areas. Distribution will call for expenditures of about \$3,900,000. Again I would like to point out that one of the major expenditures which will be required is in the various oil fields throughout the province. The remainder of the money will be spent on major improvements and extensions to existing distribution systems in the various communities which we now serve. This year we expect to be able to provide service to another 3,400 farms: these will be broken down about half in selected municipalities in connection with our operation “complete coverage”, and the remainder will be singles in non-selected R.M.’s in various parts of the province.

I might point out, Mr. Speaker, that the question of the cost of farm installation comes up periodically in this House, and it is interesting to note here that, this year, the investment on behalf of the Corporation for this particular section of the cost of farm service will go up from around \$800 to \$990 per farm. This is not the full cost of providing service to the farmer; this is only with respect to the immediate service from the existing system.

This year we will be spending something like \$2,300,000, on administration on our capital expenditures in connection with adminis-

tration. The major items here will be a little over a million dollars for vehicles and about \$600,000 for tools and equipment. We plan this year only one major building, and that will call for an expenditure of about \$205,000. This is simply to complete the service station on service centre in the city of Regina. We will be putting up one or two smaller buildings in various communities throughout the province where our activities have increased; but I would like to point out that we are including nothing in this year's budget for expenditures on the head office building in the city of Regina. I will come back to that a little later, because there are some things I would like to say with respect to that particular project.

I would like to turn now to the gas program for 1960. I would like to say here that I agree wholeheartedly with the Premier when he says that the gas program and the gas policy which has been developed by the Government and the Corporation is proving to be one of the most popular programs that we have ever mounted in the province of Saskatchewan. I don't think there's a day goes by but I have correspondence, phone calls, or delegations from various communities throughout the province of Saskatchewan, all anxious to know when they can expect to receive natural gas service. We cannot, of course, begin to meet all of their requests or demands immediately, because, first, it would be impossible to try to carry out that kind of a program in a single year, and second, I am sure, even the hon. Provincial Treasurer who has been so successful in the past in finding for us the money we required for our programs, would have a considerable amount of difficulty in borrowing the amount of money we would require if we were, in fact, to attempt to take service to all of the communities which desire it in the length of time which they would permit us to do so.

I am sure there are a lot of people anxious to know, so I am going to outline just what we intend to do by way of adding new communities this year. I would like to start out by mentioning the new transmission lines we will build this year, and the new communities which will be added to the natural gas system.

First, we will be building a six-inch transmission line from Yorkton up through Canora and Kamsack, and those two communities will be added to the natural gas system, this year. We will, too, be adding the town of Indian Head to the system by a lateral running from our present transmission line between Regina and the City of Yorkton. We will also be adding fort Qu'Appelle to the system, again by a lateral from that Regina-Yorkton transmission line. We will also add Qu'Appelle to the system this year by a further lateral from the present system. We will, too (and I am sure the hon. Member for Nipawin will be pleased to hear of this) be adding the town of Nipawin to the natural gas system by a four-inch line running from the area of Tisdale to the town of Nipawin. We will also be building year a transmission line from somewhere in the Moose Jaw area running south down through the town of Assiniboia, and we will be including the town of Assiniboia in our system and, as well, we

March 9, 1960

will be providing service to the town of Ormiston and the town of Claybank, the latter two, of course, this year, because of the industries in those communities which require the use of natural gas for their manufacturing operations. This line will provide an opportunity in later years to run laterals from the main line in order that we will be able to take service to such communities as Mossbank, Gravelbourg, LaFleche, and the other communities in that area.

Again this year will be making a tap from the Trans-Canada pipeline east of Regina. Last year we made a tap towards the Manitoba-Saskatchewan border, and we added to the system the town of Moosomin, and the hon. the Leader of the Opposition and I had the pleasure of sharing a platform in Moosomin, last year, at the time we held a flame-lighting ceremony. Again, this year, we will be making a tap from the Trans-Canada, and from this tap we will be running a lateral alongside of the Trans-Canada, and will be adding the towns of Wolseley, Grenfell, and Broadview to our system in the eastern part of the province. . .

Hon. Mr. Fines: — You'd better vote for this, "Hammy"!

Mr. Gardiner: — We'll be doing it.

Hon. Russell Brown: — I know that there are a number of other communities in that vicinity, and I am sure that the gentlemen who are representing the constituencies will no doubt have pressure brought to bear upon them. I have already had some experience with it; but there are a number of other communities in that area all of which are deserving of natural gas service, and all of which, I may say, are included in the long-range plan of the Corporation, and these communities will be added in later years. It is of great regret, as far as I am concerned, that funds are not sufficient this year to permit us to add the other communities this year.

Premier Douglas: — That would help to keep the debt down.

Hon. Mr. Brown: —It would keep the debt down, yes. We have to keep the debt down. Going on then, Mr. Speaker, we will also be adding a number of communities to the existing transmission lines in various parts of the province, and this is in accordance with the policy which we have established during the past few years. The usual procedure is to build a main transmission line to a major market one year, possibly picking up one or two of the larger centre that same year, and then filling in in later years as funds were available for picking up these other communities. So, this year we will be adding the towns of Elrose, Kyle, Pense, Tompkins, Riceton, Smiley, Midale, Balcarres, Stoughton, and Lang to the natural gas system in the province.

I want just to say that, while this appears at the present time to be the extent of expansion which we would undertake in view of

the money which will be available to us, there is a possibility that as we get better estimates or more accurate estimates of the cost of these projects which I have enumerated, it will be possible for us to find some little additional funds. If that should be the case, it will be our intention then to announce other communities within the range of the funds which we find available in a very short while. At the present moment this seems to be about as far as we can go this year with the money which we will have available to us.

Moving from that, I would just like to mention briefly where the remainder of the money which is earmarked for the gas system will be spent. The total amount which we will spend this year, I imagine, will be about \$12,665,000, and in some of the major areas of expenditure we will have to spend a little over a million dollars this year for meters. It will take about a million dollars this year to add to the present systems additional customers in the various cities and towns and villages which we now serve. We will be spending this year about \$1,300,000 on development of gas storage, on system improvements, regulator stations, and items of that nature. About \$278,000 will be spent on engineering services, and we will be spending a little over \$1,100,000 on gathering systems in the various fields from which we obtain gas at the present time. This will provide for additional well connections in some of the fields which have been in operation for some time, and it will provide funds for the drilling of new wells to be brought into the system mainly in the Hatton-Many Islands field which, of course, the Corporation purchased just a short time ago.

One of the major expenditures which we are going to be faced with, this year, with respect to the natural gas system is the addition of compressor stations in order to maintain the required pressure for the distribution of gas throughout our system. Of course, the farther we go afield with our transmission line, the more pressure we will require at various points throughout the system in order to maintain the pressure required to see that the communities at the ends of the lines are provided with an adequate type of service. We will have to spend this year something like \$2,000,000 on compression stations. The main one of these will be in the Hatton Field, and it will cost something like \$800,000. We will have to add a station at Success, and that will cost us about \$613,000. We will spend this year, too, about \$300,000 on a small gasoline plant at Success, in order that we can pull out from our lines the wet gasoline which accumulates from the operation in that area. We will also be spending about a quarter of a million dollars on a compressor station in Unity, in order to maintain the required pressure in that area.

Our transmission lines which I mentioned – our main one this year, from Yorkton to Canora and Kamsack, a six-inch line, will call for an expenditure of something like \$720,000. The Moose Jaw-Assiniboia line, with a larger capacity, will call for an investment of about \$1,300,000.

March 9, 1960

The smaller line from Tisdale to Nipawin will cost about \$700,000. The other expenditure on transmission lines will be about \$90,000 to complete the work on the St. Louis-Tisdale line.

I think possibly, Mr. Speaker, it might be in order here to mention this matter of building a line from Tisdale to Nipawin. I think I should do so before some of my hon. friends opposite get up and question whether or not it is desirable to build this line, or whether or not we may be, in fact, making an investment which would be redundant in the event that the iron ore developments proceed in the Nipawin-Choiceland area. I think it has been said in this House before, certainly it is public knowledge, that there is every prospect of the iron ore deposits being developed in that area, and that, in the event that these deposits are developed, they will require, to carry on their operations, an amount of natural gas quite likely equal to the total consumption in Saskatoon, which is the Corporation's largest market at the present time. So, I think it is obvious to all concerned that, if that is the case and they are going to require that amount of natural gas, a four-inch line from Tisdale to Nipawin would not be sufficient to serve the town as well as the iron ore development, and that is quite true. The situation is, of course, that because of the location and the distance from Nipawin to the ore deposits, if we built a larger line into the area of the iron ore development, we would still have to run about the same distance from there over to Nipawin with a further line as we would have to build one from Tisdale to Nipawin. So, actually, there is no loss by building the line at this time and it does provide us an opportunity to take service to the town of Nipawin probably a little bit earlier than if we should wait until some decision is made with respect to the iron ore development in the area.

I would like to suggest that this program, and particularly the gas program (but not just the gas program), the entire program which I have outlined very briefly, will indicate to all members of the House that the expenditures which are to be made this year are definitely designed to improve the situation with respect to power and natural gas in many areas of the province. I would like to point out that, it has been said before in this House by practically every member of the Opposition, whether it be the Official Opposition or my Social Credit friends, they have all indicated in their speeches that it is their intention to vote against the motion. They are going to vote against the motion, and they are going to vote against the budget. Well, to vote against the motion they are, in effect, voting against this kind of a program on the part of the Saskatchewan Power corporation, and I am sure the people in those constituencies in which lie these towns that I have indicated will receive natural gas service this year, will be greatly interested to know that their member voted against natural gas going to their community this year.

Mr. McFarlane: — People will vote against it, anyway.

Hon. Mr. Brown: — Now I know that my hon. friends are going to point out, as they have on a number of other occasions during this Session, that simply because they say that they are voting against the Throne Speech or the Budget Speech that does not necessarily mean they are opposed to all of the things which are contained in the Throne Speech or in the Budget. I'm going to concede that, Mr. Speaker, I'll go along on that with them; but I would like to suggest that that still doesn't get them off the hook. That still doesn't get them off the hook because, not only have they said they were prepared to vote against the Throne Speech and they were prepared to vote against the Budget, but they have also made one of the major issues during this Session the fact that we have a rather substantial indirect debt in the province of Saskatchewan. Now, I would like to suggest to them that they cannot have it both ways, and I think the Premier pointed out to them a few moments ago when he was speaking that you can't have it both ways. No one of the Opposition side of the House has come up with any suggestion as to how they would carry out the expansion of the power system, the natural gas system, or the telephone system in this province without borrowing money for those purposes.

Premier Douglas: — They wouldn't; they don't believe in it.

Hon. Mr. Brown: — They don't believe in it; but nevertheless, they have to get up and state sooner or later whether or not they would, in fact, see that these programs were continued in the event they took over the government of this province. They have either got to get up and say that they would be prepared to carry on the kind of programs which have been undertaken in the last few years, and admit that all of this ridiculous talk about the debt of the province is just so much political eyewash, because there is no other way in which these programs can be carried on. They have either got to admit that, Mr. Speaker, or they are going to have to tell the people of this province that they are prepared either to sell the Saskatchewan Power Corporation to private enterprise and to sell the Saskatchewan Government Telephones to private enterprise, or that they are, in fact, prepared to curtail the development of these corporations and leave the people of this province hanging in the air with insufficient power to meet their needs. The question is just as simple as that.

I get awfully sick and tired of all of this prating about provincial debt, indirect debt. They say it doesn't make any difference whether it is direct or indirect, it is a debt. Well, to my mind there is a very distinct difference between direct debt which has to be paid out of the tax dollar paid by the people of this province and the debt which has accumulated in order to build up a utility to provide the power and gas needs to the people of this province; a debt which is offset by assets considerably more than the amount of that debt. I would suggest that the people of this province are not being fooled for one minute by my hon. friends' talk about the public debt of this province. I spend a lot of time with the people around the province of Saskatchewan, and I

March 9, 1960

find that, rather than the views which are shared by the hon. members opposite, the people of this province are quite well aware of the fact that not only is the Saskatchewan Power Corporation doing a tremendous job on their behalf, but they also realize the only way that this job could be done is by borrowing the funds to carry out the work which is needed.

I would like to turn now to the operations of the Corporation, and give the House a little bit of an idea of what happened in 1955. I would like, too, at this time to do something which I have not done before, Mr. Speaker, but which I think may be of interest to the members of the House. I would like to give them an idea of the forecast of the Corporation's operations for the year 1960, the year which we are now in. Only yesterday, I tabled the Annual Report of the Corporation for the year 1959, and I don't suppose anyone has had too much time to read the Report, or to absorb the information which is contained therein; but I would like to make reference to a few of the things which are contained in the report.

The year 1959 was, of course, another year of substantial growth of the Corporation. During the year we had some 158,000 customers for the electrical utility; during the year we generated for the first time over 1 billion kilowatt hours of electric energy, and we sold just under 1 billion kilowatt hours to the customers throughout the province. The average price per kilowatt-hour received by the Corporation was something like 2,609 cents. The total revenue during the year amounted to \$23,909,000 and some odd cents. We had over 50,000 gas customers during the year, and we sold to those customers something like 29 1/2 billion cubic feet of natural gas at the average price per MCF of 55.1 cents. The total revenue from the gas division amounted to just over \$11,000,000. The total revenue, then during the year was something like \$35 1/2 million dollars and the net revenue approximately \$3 1/2 million or about 10 per cent of the total revenue.

During the last few years we have established within the Corporation budgetary procedures in order that we may be able to maintain day-to-day control of the operations of the Corporation, and we have established an operating budget which sets out at the beginning of the year what we expect to happen during that year. This includes forecasts of the activities, the amount of power which will be generated and sold, the amount of natural gas which will be purchased and sold, and the amount of money which will be expended for the various operations of the Corporation, as well as the total revenue which we expect during the year, and an indication of the net revenue at the end of that period. I would like, then, to give you a bit of a forecast of the operations for 1960, as they are indicated by our operating budget for this year.

During 1960, we again expect to have an increase in sales of electrical energy, generally referred to as load-growth, of between 18 and 19 per cent, and this is the kind of increase we have been experiencing

during the past few years. It is the kind of increase which has necessitated, as has been said before, the doubling of the generating capacity of the Corporation about every four years. That will call for the generation of about 1,282,000,000 kilowatt-hours of energy, and we expect to sell something like 1,100,000,000 kilowatt to the customers throughout the province. This will be sold to an estimated 170,000 customers, and we expect our revenues to rise again during 1960 and reach the figure of something like \$27,168,000.

During 1960 it is anticipated that our gas customer load will rise to about 62,000. We should sell something like 31,000,000,000 cubic feet of gas, and this, I would point out, is not too much of an increase over the past year. The reason for that is that, this year, we will be using less gas in our power plants for power generation. We expect our revenue from the gas utility during the year to be, at the end of the year, something over \$13,000,000. The total revenue that we anticipate for the year will rise to about \$40 1/2 million. This will be an increase over last year of about \$5,000,000, or an increase of about 14 per cent. But here is the interesting point that I want to bring to the attention of the House. Because of the very heavy increase in depreciation and carrying charges which will have to be paid on our facilities, due to rapid inclusion in our system of new facilities, power lines, and generating stations, which, until such time as they do on line (and that could be delayed for a period anywhere up to four years) are non-revenue producing; because of this, our net income forecast for 1960 will drop to about \$1,600,000. I mention this particularly, not that I am concerned about it, because it is the normal situation with the capitalization of the Corporation rising at the rate that it is, but I mention it particularly because I want to make reference to some of the suggestions which have been made by my hon. friends opposite with respect to what the Corporation should do on behalf of the farmers of this province.

It was suggested by my hon. friends that the Corporation's earnings have been such, during the past years, that a cut in rates would be warranted and should be made and passed on to the customers, particularly the farm customers of the Corporation. I believe the figure was mentioned, by my friends the hon. Leader of the Opposition, of something like 10 per cent. He pointed out that, in 1958, it appeared as if our net earnings for that year ran around 12 per cent, and he said then: "Well, of course, if that's the case, there's no reason why you can't cut your rates 10 per cent and you'd still be all right."

I would like to point out that, if we had followed that suggestion and had, in fact, cut rates 10 per cent, our earnings for 1959 would have been reduced to about a million and three quarter dollars. That would not have been too serious; but it was obvious to us that we could not expect to maintain our revenues to the level of 1958 in view of the increasing investment which we were having to make every year. I would like to point out that, had we followed that suggestion and reduced our rates, while we would have got by the year

March 9, 1960

1959 without a loss, for 1960, with revenues which would appear to be something like \$1,600,000 on a total revenue of over \$40,000,000, had we reduced our rates by 10 per cent, at the end of 1960 we would not have had a surplus earning at all, but we would, in fact, have operated at a very substantial loss. I am wondering, then, if I come back into the House next year with a statement which indicated that, rather than having broken even or a little better, we had, in fact, piled up a deficit, exactly what my hon. friends opposite would say to me again.

I have said this before, Mr. Speaker, and I'm going to say it again, that one of the reasons we have been able to go out on the money markets in eastern Canada and the United States and obtain the amount of money which we require for the Power Corporation activities every year, has been because the Provincial Treasurer was able to take down to the financial interests the operating statements and the balance sheets of the Saskatchewan Power corporation and prove to them that this Corporation was well founded, well operated, and was in a good sound financial position. If the day ever came that he had to go down to the money markets with a statement which indicated that, rather than having operated with some sort of a surplus we had, in fact, operated at a loss, that day would be the day that the money would dry up insofar as we were concerned, and we would not likely be able to borrow another nickel on behalf of the Corporation. We know full well that we are going to have to continue to borrow these large sums every year, and we certainly could not take the change of that kind of situation developing.

That is one of the reasons we have tried to point out to our hon. friends opposite, over the years, that it is not quite so simple as they may think to operate a utility of this kind, and certain you can not operate on any kind of a stable basis if you are going to turn around and, for simply political purposes, start to toss away revenue which is required, by great reductions and rebates of the construction charges. It is obvious, too, that, had we followed the suggestion of the opposition that we should (as they put it) follow the example of the privately-owned utility of the city of Moose Jaw and undertake to repay to the farmers on our system the construction charges they were asked to pay in the first instance, at the rate of \$2.50 per month – that again at the end of the year 1960, because of the reduction in our net earnings if we had, in fact, had to pay out that kind of money to the farmers by way of rebate on their construction charges, again we would likely find ourselves operating with a deficit rather than a surplus. I might say that it is interesting to me to see that the Opposition have changed, to some extent anyway, their offer with respect to this question of construction charges. It used to be that they told us that we should go out and repay the \$500 construction charge in one lump sum.

Mr. McDonald: — Oh, no! That's never been done. Read it.

Hon. Mr. Brown: — Oh yes, you did; often enough.

Some Government Member: — That has never been done, and you know it.

Hon. Mr. Brown: — They wanted us to do it all at once, and they suddenly discovered that they could not go out and borrow \$25,000,000 or \$30,000,000 to pay off a debt of that kind.

Some Government Member: — It's you that said that.

Hon. Mr. Brown: — They have come up with a new gimmick now, Mr. Speaker. Now, instead of a lump-sum bribe, the farmers of Saskatchewan are being offered bribery by instalments. Now, they say, "We'll give you it back at so much per month", and they point to what has been done by the National Light in the city of Moose Jaw.

Mr. Speaker, I can recall your standing up in this House when you had the responsibility for the Saskatchewan Power Corporation and making the statement that you dislike having to make comparisons with other utilities. I know now what you mean, Mr. Speaker. Having been in a similar position for some time, I agree with you that there really is no basis of comparison for utilities because of the varying circumstances. I also agree with you that it is not good for one utility to try to criticize another and to try to make comparisons with it. We have found our relationship with the other utilities, not only in Saskatchewan but in other provinces, to be of the very highest, and the last thing I want to do is to create any ill-will with the people in the utilities in this province. However, I would like to point out that it is not really surprising that National Light are able now to offer a rebate of \$2.50 per month to the farmers to pay their construction charges. After all, they only have about 200 farm customers which they serve. The amount of investment which they have to make by way of transmission lines to serve these is hardly worth mentioning. They can, in fact, add them to the city of Moose Jaw as an appendix to the city of Moose Jaw, and serve them with very little additional cost, and at about the same rate. I am very sure that if anyone suggested to the operators of National Light that they might undertake to spread out the 200 farmers which they serve at the present time, and to undertake to take power to 60,000 or 65,000 farms scattered in all of the areas of the province of Saskatchewan, and to build all of the necessary transmission lines required to get the power out to those 60,000 or 65,000 farmers; to suggest to them that they would be able to do this, or should be prepared to do it, without cost to the farmer, or at the rate which they are able to provide these few farmers which they now serve, the answer you would get would be simply, "Don't be ridiculous, it just couldn't be done." And, of course, Mr. Speaker, it could not be done.

To try to compare the operations of the Saskatchewan Power Corporation with the National Light and Power in the city of Moose Jaw is like attempting to compare apples and oranges; there just isn't any similarity at all. However, we do hear a lot about this, and I am going to suggest that, as has been said before, the farmers of this province are not the simple-minded individuals which our friends across the way would like to think. They have some idea of what is involved in taking power to them. They have some idea of the cost involved. On

March 9, 1960

the whole, I think they are satisfied that the power service which they have obtained, and that the price which they have been asked to pay, has been fair and reasonable. And, of course, one thing they cannot overlook and will never overlook is the fact that, while our friends opposite like to talk about what they would do now, in all the years in which they had the opportunity of doing something about rural electrification, they sat on their hands and suggested that they, the farmers, really didn't need power lines; they suggested instead, they be supplied with wind chargers.

I would be interested in knowing, and I'm sure the people of Saskatchewan would be interested in knowing, where the Opposition do stand with respect to the Power Corporation. I know the hon. member for Humboldt, Mrs. Batten, stood up yesterday and said — I'm not quite sure of the words, and I'm sure she'll correct me if I'm wrong; but she said something to the effect that they would continue the Power corporation, but they would operate it more efficiently. Something like that.

Mrs. Mary Batten (Humboldt): — That's what I said.

Hon. Mr. Brown: — That's a nice easy statement to make, and I don't blame the lady for making it; but I just wish once in a while somebody would go beyond just making a simple statement like that and give us some indication of exactly how they would run it more efficiently.

Mr. McDonald: — Sit down right now and we'll tell you.

Hon. Mr. Brown: — I want to correct that statement. You know you're wrong. You set up the Power Commission? You had nothing to do with setting up the Power Corporation.

Mr. McDonald: — It was a public utility.

Hon. Mr. Brown: — I just want to correct you. Of course they don't need to tell us what our friends the Social Crediters would do, because they let the cat out of the bag at their convention when one of the gentlemen (from my constituency as a matter of fact) got up and suggested that they ought to put a little icing on the cake. Among other things they were going to sell the Government Insurance Office, and one gentleman got up and proposed, when he didn't know the Press were in the room, that they should come out and advocate the sale of the Saskatchewan Power Corporation. Now, that was a nice piece of icing. So we know where they stand.

Mr. Danielson: — That's your story. That's spending money!

Hon. Mr. Brown: — They don't deny it. At least they are honest enough not to deny it when it is true. I would like now to take a look at the future.

Mr. Cameron: — Give us 30 minutes, and we'll tell you.

Premier Douglas: — You've only had seven days.

Hon. Mr. Brown: — Gentlemen, I had to sit for here for days and suffer through it, and I am sure that I am not any more boring than some of the people across the floor that I have had to listen to.

Mr. McDonald: — Tell us about these two.

Hon. Mr. Brown: — About what? What are they?

Mr. McDonald: — About good public utilities. This is the way they ought to be run.

Hon. Mr. Brown: — Is that so.

Mr. McDonald: — That's right.

Hon. Mr. Brown: — Well, I'd like to move along, Mr. Speaker, and take a look at the future insofar as power development in the province is concerned.

Mr. McFarlane: — Call it 5:30, "Russ".

Mr. McDonald: — He can't it's only four. Do you want some more notes?

Hon. Mr. Brown: — No, I've got lots of them here. As a matter of fact I could spend a couple of hours trying to educate you chaps. It wouldn't bother me at all, but I'm afraid it wouldn't do any good.

The Provincial Treasurer, when he was speaking, made a comment, which our friends opposite have taken exception to on a number of occasions, when he was talking about the provincial debt. I am not going to try to repeat the exact words the Provincial Treasurer used, but certainly he did suggest that he would be disappointed if the indirect debt of this province did not rise during the next few years. He was referring, of course, to the fact that, in all likelihood, we would be called upon to borrow considerable money during the next few years to be invested in the Saskatchewan Power Corporation. Our friends did not like that; I don't suppose they knew exactly what he meant. As a matter of fact, that statement was absolutely correct, and I agree with him. I will be disappointed, too, if we do not see an increase in the debt on behalf of the Saskatchewan Power Corporation in the years ahead, because one of the best indications, and one of the best yardsticks, of the economic growth of any area is increase in the amount of electrical energy which is consumed by the people. If you find you have no increase in the consumption of energy, then you find that you have an area in which you have a certain amount of stagnation, and that things are rapidly drawing to a standstill.

March 9, 1960

I am happy to say that our forecast of the increase in consumption of electrical energy here in Saskatchewan, over the years, has proved to be absolutely correct. A number of years ago the forecast indicated that the increase in consumption would be in the order of 20 per cent per year, and, as I have said, that would necessitate doubling the generating capacity of the system about every four years. We have projected our forecast into the future, and I am quite confident that these forecasts for future demand are as accurate as those which we experienced in the past, and again, at least for the next decade in Saskatchewan, it is indicated that our load growth will continue at the rate of about 20 per cent per year. This means, then, that we must look forward to increasing our generating capacity at a very substantial rate, and very quickly.

We did announce, last year, that the Squaw Rapids project would be started in the year 1960. At that time I have an indication that this would not be the only hydro project which would be undertaken here in Saskatchewan. There may be some doubt in your mind, Mr. Speaker, as to why we can anticipate a continuation of the kind of load growth which we have experienced during the last few years. In that connection I simply would like to point out that power is comparatively new here in the province of Saskatchewan. We still have a per capita consumption in Saskatchewan which is the lowest in the Dominion of Canada. It is quite obvious that, over the years ahead, this consumption will continue to rise until it at least reaches somewhere of the order of the national average. That alone means there is going to be considerably greater demand on our generating facilities.; We must remember that, when power first became available to the various parts of the province, on our farms and in our hamlets and villages, the people might have been quite content if they had had electric lights, and probably a little electric energy with which to operate an electric radio, rather than try to get along with the old battery set. This situation does not obtain very long because, once people have available power, they soon turn to the use of electrical energy for many other purposes. I am sure all of the married men will realize that it is a difficult job to try to deny their wives the use of deepfreezes, refrigerators, televisions and such, toasters, electric kettles, washing machines and so on down the line. All of these things are, added as rapidly as the consumer can afford to install them. All of this means an increasing demand for electric energy.

Then, too, we expect to have a considerable increase in the population of this province, in spite of the horrible forecast of our friends opposite. There will be a considerable demand by new industries here in Saskatchewan, and there will be a great demand for energy for further development of our resources. General commercial development itself indicates a substantial increase in demand for power. Therefore, looking to the future, during the next decade we see the necessity of building here in the province of Saskatchewan, not only the Squaw Rapids hydro project, but I am going to predict there will also be three other hydro projects on the river in that area – or rather two other projects,

as well as the Coteau Creek project, or the South Saskatchewan River Dam hydro station. Four hydro projects will come into existence during the next 10 years to provide something like 995 megawatts of additional capacity for the Corporation's system. This will be broken down something like this: the hydro project on Coteau Creek, installed capacity of something like 187 1/2 megawatts; Squaw Rapids projects, which is the first to be developed, will produce a total of about 268 megawatts; the Fort a la Corne project, which is a very good one, a total of something like 315 megawatts, and at Nipawin itself we will have a plant with an installed capacity of something like 225 megawatts.

If you want to put a price tag on these projects along, Mr. Speaker, when you are considering the necessary investment of the Corporation during the next decade, you can start with about \$200 million for these four projects I have mentioned. Add to this possibly \$30 million to \$40 million for the necessary transmission lines in order to take the power into the areas where it is required; add to this the other expenditures which will be necessary to maintain an expanding system of this order; add to that a continuous heavy expenditure in the natural gas system, and you will arrive at a figure very close, I would suggest, to \$400 million to \$500 million which would be required during the next 10 years.

I am going to suggest that all the talk about the undesirability of increasing the indirect debt of the Province will not mean very much, when you consider that these projects will have to go ahead. Either that, or somewhere along the way, we will have to start to ration power to the people of Saskatchewan, because we won't have sufficient capacity to meet their needs; or I suppose, you could turn them over to a private utility.

I would like to take a little look, just for a moment, beyond 1970. While we are going we might as well go all the way. How far would you like me to go?

Mr. McFarlane: — How many farmers are involved. . .

Hon. Mr. Brown: — My friend is nattering over there, as usual. I wonder what's the matter with my hon. friend from Melville, he hasn't giggled recently — I see he's out of the House.

Mrs. Batten: — You haven't been very entertaining!

Hon. Mr. Brown: — I'll bet he went out and phoned to tell the people in Balcarres that he just got them natural gas! As a matter of fact, they have all been out of the House, Mr. Speaker. I hope he was kind enough to give me just a little bit of credit, anyway.

Now moving on, I would like to suggest that, in our view, while the load growth in the province may slow up a bit beyond the year

March 9, 1960

1970, we must expect to have to provide additional generating capacity even after the four hydro projects are in operation. These projects will not exhaust the entire possibilities of the Saskatchewan River, and it appears, from studies which we have conducted during the past year or so, that there are some further very excellent hydro sites between Coteau Creek and Fort a la Corne. These in all likelihood will be developed in the years beyond 1970, and I am going to suggest to you that, with the development of these projects between Coteau Creek and Fort a la Corne, eventually here in the province of Saskatchewan we will have an almost continuous lake running from Squaw Rapids down to the area of the city of Swift Current. As a matter of fact, I am advised by the people who have been carrying out investigations for us, that with the proper use of pump storage there is an extremely excellent possibility of actually moving water from the North Saskatchewan River right down to the central part of the province of Saskatchewan, if it is required. We were discussing this at a Board meeting the other day, and the vice-chairman of the Board, the hon. Minister of Mineral Resources, said to me, "I suppose when you get up to speak in the Legislature, that you will be telling the House that what you are going to do is make water run up-hill." Well, in effect, it could be done with that kind of a system.

That is a general idea of what we may expect by way of future development of the generating capacity and the other facilities in the province. There is not much more I want to say on that, except one thing to which I wish to refer and that is one of the hon. members opposite – I think it was probably in a previous debate, and I know I am out of order in referring to it, Mr. Speaker, but it struck me as rather odd, because the gentleman criticized us for building all of our plants in the same Time Zone. I will agree with him, and I am glad to know that he recognizes the fact that there is some advantage in operating a utility if you do have your plants in different time zones. But when he criticizes us for building them all in the same Time zone, he forgot to tell us how we could move the hydro sites or the coalfields into the Time zones into which we wanted the plant, because of course, it is obvious that you have to build the plant where the sources of energy are. The two sources of energy which we enjoy in Saskatchewan are the cheap lignite coal in the Estevan area, and now the hydro sites in the northern part of the province. I would be happy, indeed, to build them where they would be most advantageous, but I still have not figured out how it could be done. If the gentleman would help me on that, I would appreciate it very much indeed.

Mr. McDonald: — What sort of energy do you use in Saskatoon?

Hon. Mr. Brown: — Mostly Alberta coal and oil and gas. As a matter of fact, we do have a lot of our stations in different Time zones, but the only ones we have in the Central Standard Time zone are the two at Estevan.

Mr. Speaker, I have not much more time before we have to take a vote on the motion. However, there is one matter I would like to touch on briefly, because it has been criticized quite considerably, both within the House and outside. I mentioned the fact that we announced, some time ago, the Corporation was buying, for a figure in the neighbourhood of \$20 million, an entire gas field called the Hatton-Many Islands Gas field, which lies astride the Saskatchewan-Alberta border. Immediately we made this announcement, our friends across the way, and some of their cohorts, labelled this as "ridiculous, extravagant, senseless" and about everything else they could lay their tongue to, without, of course, giving any thought to reasons why we decided to make this purchase, or the advantages of the purchase.

It has been suggested that one of the reasons we were foolish to buy it was because, after all, we didn't know for sure whether the gas was there. About all I can say to that is that we have obtained the best advice possible from competent geologists and the gas engineers, and we have checked the estimates which have been made not only by our own people, but by the Department of Mineral Resources, the officials in Alberta, and everyone else, and we are quite satisfied that the amount of gas which is supposed to be there is, in fact, there. As a matter of fact, I would point out that the whole project was based on a figure of gas available much less than the engineering studies indicate there is actually in the field. It was suggested, too, by one of my friends opposite that, after all, we were crazy to buy this field because there might be an earthquake, and the blooming old gas might go and move, and we wouldn't be able to recover it when we wanted it. Of course, if you follow that line of thinking, I suppose we should not build any power plants, any highways; we should not put any pipelines in the ground, because after all, there might be earthquakes, and the darn things would be ruined and we would lose money.

I would like to point out that the reason we bought this gas field was a very good one, because we have been checking the reserves available to the Corporation during the next 30-year period, in order to find out how much more gas we would have to get our hands on, if we were to have sufficient gas to meet our needs over that 30-year period. Our studies indicate that Saskatchewan requirements over the next 30-year period will be something like 4 1/2 trillion cubic feet of gas. We estimated that the Saskatchewan reserves which are available at the present time, and giving some consideration to the prospective reserves which may be proved up in the future, indicate that there is only about 970 billion cubic feet of reserves available at the moment. We have to look, then, for something like 3 1/2 trillion cubic feet in order to insure ourselves of sufficient supplies to meet our needs in the years ahead. If you take into consideration the amount of gas in the Hatton Field, we are still a long way from having sufficient reserves tied up. I say then that, in the first place, it was a very smart move for the Corporation to buy an entire gas field

March 9, 1960

and have it available to us, because it does improve our reserve position. Certainly because we own the entire field and can produce it any time we like, gives us a certain amount of flexibility in the operation of other gas projects.

This was not the only reason why we wanted to buy the field. If it were only that, there might be some basis for the criticism to which we have had to listen. Let us take a look at the price of this gas, because this is very important. The price we pay for gas, under most of our contracts at the present time, is about 10 cents per MCF. This won't remain so because all prices are going up, and we are going to have to expect to pay anywhere from 17 cents to 18 cents, within the course of a few years, for our gas supply. Any saving then that we can make by purchases at this time is money saved on behalf of the consumers of gas in this province. But when you take the amount of gas – we reduced it to about 550 million cubic feet for our purposes, and the amount we expect to produce over a 20-year period (and this is a period over which the field will be amortized), this gas at its present worth is costing us about five cents per MCF; and even at the end of 20 years, when the whole deal has been amortized, and after we have paid the interest and all the other charges with respect to that deal over the 20-year period, that gas will only cost us in the neighbourhood of eight cents per MCF. Besides that, after the 20-year period is up, there will still be left in the field somewhere between 100 and 200 billion cubic feet of gas which can be produced. This gas will come to us at practically no cost because the field has been amortized, and our only cost will be a very minor cost for producing that gas from a few new wells. This, then, will give us all of that gas, as I say, at practically no charge.

It is estimated that the total savings on this one project alone, over a period of years or at the end of the period, will run somewhere between \$17 million and \$18 million. My friends suggest that is a ridiculous kind of a deal to enter into. I am sorry I cannot agree with that. I would like to suggest this. I only wish that I had an opportunity to arrange about three or four more deals such as this, because I could say then, in all sincerity, that, if I never did anything else on behalf of the people of Saskatchewan, I would have done something there that would have meant a tremendous amount of money in their pockets in the years ahead.

In concluding, I know that even with the explanations I have given as to the reasons why we entered into this Hatton purchase, some of my friends are going to say, "Yes, but here you go, tying up all this money when you didn't need to do it. What you should have done was not bought the field; you should have bought more gas from the Trans-Canada Pipelines." Well, it is quite true that we could have increased our take from Trans-Canada Pipelines, and, as a matter of fact, unless we are able to arrange more deals of this kind, unquestionably we will have to increase our purchases from Trans-Canada. I

want to point out that the price we have to pay Trans-Canada Pipelines for natural gas at the city of Regina is not 8 cents per MCF, it is not 10 cents per MCF, but it is 21.3 cents per MCF. Our Hatton gas will cost eight cents. If you add about five cents to that price for cost of transmission from the field to the city of Regina, you still have a very substantial saving on about 550 billion cubic feet of gas over the next 20-year period. So we have, then, obtained a large supply of gas which we badly need. We have got it at a very, very attractive figure. We have improved our bargaining position with respect to later purchases, and we have provided ourselves a lot of flexibility in the operation of our gas fields and our natural gas system.

Mr. Speaker, there is much that I could say about the budget. At a matter of fact, there is a lot more that I could say about the operations of the Saskatchewan Power Corporation, but I just want to say this. I think most of the things needed to be said about the budget have been said. I think it is obvious to any reasonable-minded person in this House and in this province that this budget is designed to do a tremendous job on behalf of the people of Saskatchewan; to continue the advance along the road of progress on which we set our feet a number of years ago. Particularly because the budget does provide a substantial amount of money to continue the development and the extension of the Saskatchewan Power Corporation, Mr. Speaker, I shall support the motion.

The question being put, it was agreed to on the following recorded division:

Yeas—34

Douglas (Weyburn)	Sturdy	Thibault
Brown (Bengough)	Brown (Last Mountain)	Stone
Bentley	Howe	Willis (Elrose)
McIntosh	Douglas (Rosetown)	Kramer
Brockelbank	Kuziak	Berezowsky
Fines	Williams	Neilbrandt
Walker	Erb	Davies
Lloyd	Heming	Meakes
Nollet	Johnson	Wood
Cooper (Mrs.)	Thurston	Thorson
Gibson	Dewhurst	Harrop
Willis (Melfort-Tisdale)		

Nays—17

McDonald	Loptson	Foley
Batten (Mrs.)	Coderre	Klein
McCarthy	Barrie	Weber
Horsman	Korchinski	Elias
Cameron	Gardiner	Nicholson
Danielson	McFarlane	

March 9, 1960

The Assembly, accordingly, resolved itself into the Committee of Supply. Progress was reported.

The Assembly adjourned at 5:30 o'clock p.m. without question put.