

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN  
FIRST SESSION — FOURTEENTH LEGISLATURE  
5th Day**

**Wednesday, February 15, 1961.**

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

**NEWSPAPER CORRECTION**

**Mrs. Gladys Strum (Saskatoon):** — Mr. Speaker, before the Orders of the Day are proceeded with I would like to draw your attention to a correction in 'The Leader-Post' of Tuesday, February 14th, reporting that I said that the Power Corporation's new building will cost \$6 million. I wouldn't dream of such a thing. That \$6 million should have been in association with the new Co-operative Chemical Plant, and I would like 'The Leader-Post' to make this correction.

**Mr. W. Ross Thatcher (Leader of the Opposition):** — Mr. Speaker, before the Orders of the Day are called, I should like to rise on a matter of privilege. Yesterday I asked the Provincial Treasurer Question 12, seeking information as to loans which had been made by the Industrial Development Office. The answer in essence flatly refused to give any information. Now, very respectfully I suggest the answer is a reflection on the rights and privileges of every hon. Member on both sides of the House. I think it is our duty to see that the taxpayer's dollars are well spent. Surely it is in the interests of the public that the Opposition be provided with this kind of information. I don't think the Government has something to hide. But surely if they haven't got something to hide, we want that information, and I hope the hon. Minister will give it to us.

**Mr. Speaker:** — Order! I don't believe the hon. Member has a point of privilege. I believe Mr. Beauchesne is very clear on this point, that the refusal to answer a question on the part of the Government cannot be raised as a point of privilege. The Government has only to say that they do not answer this question because of public interest, but Mr. Beauchesne goes further to say that they do not have

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to give any reasons why they do not answer a question, and very specifically states that this refusal cannot be raised as a point of privilege. You do not have a point of privilege in this regard.

**Mr. Thatcher:** — Yes, of course, I must accept your ruling, but does Beauchesne not also say that before any money is spent, the Legislature must approve of it. Here is money being spent, and our MLA's don't know the details.

**Mr. Speaker:** — I'm afraid I can't allow argument on a ruling in this regard.

### **WELCOME TO STUDENTS**

**Hon. A.M. Nicholson (Saskatoon City):** — Mr. Speaker, before the Orders of the Day, I would like to draw your attention to the House that we have a distinguished party on the floor — the students from the University of Saskatchewan, the Debating Directorate and members of the International Association of the University have honoured us by their presence. When some of us were at university some years ago, it never occurred to us that law-makers might be interested in visiting our Debating Directorate, nor did the law-makers suggest that the students might be interested in attending a Session of the Legislature. I am sure we are honoured to have these young people with us today and we are especially delighted that so many students from the International Association have come here today. While our university isn't the largest in the world, we are flattered that they have selected it as one of the most important, and we hope that their stay in Saskatchewan and Canada will be pleasant and profitable.

### **WELCOME TO STUDENTS**

**Mr. Frank Meakes (Touchwood):** — Mr. Speaker, before the Orders of the Day, I wish to draw the attention of the House to a fine group of young students in the west gallery. These are 27 pupils from Grade X class of Cupar School, and they are with their teacher, Mr. Earl Chambers. I am sure this House will agree with me that we wish them a pleasant stay here this afternoon, and I am sure they will find it an education to sit here in the House today.

## WELCOME TO STUDENTS

**Mr. A.T. Stone (Saskatoon):** — Mr. Speaker, I too would like to welcome a group of students from the Montgomery School who have just arrived here. I hope their visit here will be a pleasant one.

The Assembly resumed the adjourned debate on the proposed motion of Mr. Kramer, seconded by Mrs. Strum:

And the proposed amendment thereto, moved by Mr. Thatcher, seconded by Mr. McDonald:

**Premier T.C. Douglas:** — Mr. Speaker, I am sure I am expressing your wishes as well as the wishes of every Member of the House, when I extend to the University students a most hearty welcome. We are delighted to have here the students from the Debating Directorate, and even more especially those from the International Student's Club. I want to assure those of you who are from outside of our province, and outside of our country, that although our weather is cold, our welcome is warm, and I am sure that you will find Saskatchewan people a hospitable, and a generous people to meet. We trust that during your stay here in Canada you will form a good impression of the Canadian people, and that you will carry back to your respective countries our good wishes.

Mr. Speaker, when the House gave me leave to adjourn the debate last night, I was dealing with some of the statements which had been made by the Leader of the Opposition. After listening to him for an hour and three quarters yesterday, and some fifteen or twenty minutes the day before, I feel certain that if the Liberal Party thought they were improving their situation by changing leaders, they must be sorely disappointed.

**Government Members:** — Hear! Hear!

**Premier T.C. Douglas:** — I want, first of all, to deal with one of the things which the Leader of the Opposition mentioned: automobile insurance rates. Liberal speakers throughout the province, and particularly in the Turtleford Constituency, have been making the categorical statement that automobile insurance rates have been increased. This is particularly true of the President of the Liberal

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Association, Mr. Dave Steuart, who has been reported to that effect in the press a number of times. IO was surprised when the Leader of the Opposition made this same categorical statement last Monday. Of course, it's not true. When I challenged him on it, he said, "Well, they haven't been increased; they will be increased after the Turtleford by-election." Mr. Speaker, that also is not true. In order to substantiate this somewhat irresponsible statement, he quoted from the Manager of the Saskatchewan Government Insurance Office. He quoted only the Regina Leader-Post. I would like to draw attention to two other quotations, which he apparently missed. One is in the Prince Albert Daily Herald of January 10th, which quotes Mr. Hammond as saying,

"The 1961 rates which will become effective May 1st have not yet been decided upon, and won't be until early in March."

**Mr. Thatcher:** — After Turtleford.

**Premier Douglas:** —

"However, I do expect from the upward trend in automobile accidents and the additional benefits provided in 1960 under the Automobile Insurance Plan, that a modest increase in rates is indicated."

In the Saskatoon Star Phoenix of January 12th he is quoted as saying,

"Of course there is nothing definite on the matter yet, for the Automobile Accident Insurance Committee currently studying the situation has not made any recommendations to the Government. However, if the present trend of accident rate continues, undoubtedly the committee will have to make a recommendation for a modest increase."

The Leader of the Opposition, in his great haste to find something which the Government had increased, overlooked two important facts. The first is that the Automobile Insurance Plan does not bring the Government in one dollar of revenue. Nor do we put one dollar of Government funds into the plan. When the plan was introduced in this Legislature in 1945, the Liberal Member opposite said it was the greatest hoax that had

ever been perpetrated upon that Saskatchewan people.

**Mr. Thatcher:** — That isn't true.

**Premier Douglas:** — I made the statement at the time that not one dollar of automobile insurance money would go into Government revenue, and neither would the Government put a dollar in the fund. I stated that the premiums would be collected and would be placed into a fund, and from that fund benefits would be paid. If our accident rate was good and we were able to build up surpluses then rates would be reduced. If the surplus began to decline to too low a level then either rates would have to be increased or benefits would have to be cut. Now that's the situation. Our hon. friend apparently overlooks this. It is not a tax.

The second thing he overlooks (he should have taken the trouble to check), is that this fund has a surplus built up of over four million dollars. If we were trying to keep the fund at a surplus of over four million dollars a moderate increase in rates would be necessary. But it's not necessary, and the Government has no intention of asking for an increase in automobile insurance rates. I say quite frankly, however, Mr. Speaker, that if the people of Saskatchewan don't try to hold the rate of automobile accidents down, and that surplus gets to the place where it is dangerously low, then sometime in the future, undoubtedly, it will be necessary either to increase the insurance rates or to reduce the benefits. I want to make it categorically clear now that there is no intention of increasing these rates this year.

The second thing I want to deal with is the Leader of the Opposition's reference to the work of the Continuing Committee on Local Government. As I took his words down he said, "The report of the Continuing Committee has not been brought down on account of the Turtleford by-election." Mr. Speaker, that's an insult to the men who are members of that committee. Who are these men? One of them was a Conservative candidate last June. Another was a Liberal candidate last June. Another is a President of a Liberal Association, whom I know very well, and so does the Leader of the Opposition. If you go over the political affiliations of the members of the Continuing Committee, so far as I know them, I would say there are more who are Liberals than there are who belong to any other political party. It will be news to them, Mr. Speaker, to learn from the Leader of the Opposition that they are holding back the

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report in order to help the CCF government in the Turtleford by-election.

**Mr. Thatcher:** — Just a coincidence.

**Premier Douglas:** — Now let me say something about this committee. All the Members will remember that the Royal Commission on Agricultural and Rural Life, in its report, suggested that the Government should call a conference of local government bodies to look into the whole question of local government reorganization. That conference was held in this Chamber on December 11th, 1956. As a result of the week's conference it was unanimously agreed that a Continuing Committee should be set up to look at the matter of reorganization, change of boundaries and a reallocation of financial responsibilities. All the local government groups were invited to nominate their representatives. This committee was not selected by the Government. The men on the committee were chosen by the Saskatchewan Association of Rural Municipalities, the Saskatchewan Urban Municipalities Association, the Saskatchewan School Trustees Association and the Health Regions and others. I want to pay tribute to them, because for over three years they have worked diligently and sincerely. These are busy men. They are not getting paid for what they're doing but they are getting their out-of-pocket expenses. They have given of their time freely and they've worked tirelessly. Last fall before they wrote their report they decided to take their ideas out to the country and to discuss some of the ideas they had with local government people. Immediately they were set upon. Some Members sitting opposite followed them around from place to place, to see if they couldn't stir up a little trouble. Several groups in the province started to criticize their proposals. Votes were taken in some municipalities, although no proposals were yet formalized. I don't know whether I'm going to agree with the recommendations of this Committee, I haven't seen the recommendations. I don't know whether I'm going to agree with them or not. But, Mr. Speaker, common courtesy would demand that you do not start to criticize the report before you have seen it.

**Government Members:** — Hear! Hear!

**Premier Douglas:** — All I ask is that the Members of this Legislature, and people in other parts of the province, at least give these hard working people an opportunity to submit their report. Then study the report. When that has been done, we will be in a position to know what action we should take.

The amendment which was moved yesterday by the Leader of the Opposition criticizes the Government because we have not come out and said that people will be given a vote on the question of whether or not there shall be basic changes in local government. Well, one of the terms of reference which was given to this committee was to recommend what form of consultation and in what way we should ascertain the wishes of the people themselves. I don't know what they will recommend as the best way of consulting the ratepayers and the people affected, but I'm certainly not going to stand up and say that we will take this particular method or that particular method until the Committee itself has had a chance to make its recommendations to us. I want to say to the Members of this House, and to the people of Saskatchewan that we have no intention of introducing legislation regarding reorganization or a county or a modified county system at this time. When this Committee has prepared its report and submitted it to us, we propose to put copies in the hands of every Member just as quickly as we can, it will then be printed and sent out to all the local governing bodies in the province, including municipalities, school units, health regions and so on. When we have had a chance to study it, we will sit down with them and decide which of the recommendations can be implemented, which are practical, and which we consider impractical either for the moment or in the long run. I want to remind the House again, that when the conference was held in December 1956, I made a statement on behalf of the Government. It is found on page 12 of the opening statement. I said:

“The Government itself believes that some kind of basic reorganization, at least in the rural areas, is an essential and inevitable step in meeting the problems of local government today. I want to make it abundantly clear that the Government will not embark upon a program of municipal reorganization unless this program is assured of the co-operation of the local governing bodies and the widespread support of the general public.”

That pledge, which I made on behalf of the Government then, still stands. Liberals attempt to make political capital out of attacking men who can't defend themselves, and whose only fault is that they have laboured for three years trying to find ways and means of strengthening democratic local government in this province.

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I was interested yesterday, Mr. Speaker, when the Leader of the Opposition gave the House the benefit of his definition of socialism. If I copied correctly he defines a socialist as “a person who has lost all hope of becoming a capitalist”. Well I came across a better definition. I was thumbing through Hansard, and on page 4316 of Hansard for 1948, I found this definition: — it says:

“... we democratic socialists, fundamentally believe in the laws and teachings of the Christian church ...”

That’s a much better definition. It was uttered in the House of Commons on May 24th, 1948 by the Member for Moose Jaw, Mr. Ross Thatcher. Mr. Speaker, if ever you wanted to see the degeneration of a personality, you only have to measure the two quotations.

I noticed yesterday, that the Leader of the Opposition made a statement which must have shocked some of his colleagues; it certainly shocked me. He stated that the Liberal Party will not move left as long as he was leader of the Liberal Party. He said that he did not leave one socialist party to join another. I want the gentleman opposite to remember that. The whole world, Mr. Speaker, is moving progressively leftwards. As it moves the only person that will be left standing over in the right field of reaction, apparently, will be the leader of the Liberal Party. As a matter of fact there was a National Liberal Rally in Ottawa a few weeks ago. The Leader of the Opposition didn’t go, for reasons best known to himself. It certainly indicated, at least on paper, that the Liberal Party was moving left. Mr. Speaker, it may just be that the Leader of the Opposition is going to find that for the second time in his life, he has joined the wrong party.

**Mr. Thatcher:** — You found it once or twice too.

**Premier Douglas:** — As a matter of fact, I predict to the Members opposite, that even their party may become too progressive for his reactionary views.

Yesterday, the leader of the Liberal Party spent a good deal of time referring to Aesop, and talking about Aesop’s Fables. Actually Aesop was a very good writer. I came across one of these fables, plus the little moral which he attaches always to them. This little fable said:



“One hot summer’s day a fox was strolling through an orchard till he came to a bunch of grapes just ripening on a vine which had been trained over a lofty branch. ‘Just the thing to quench my thirst’, quoth he. Drawing back a few paces, he took a run and a jump and just missed the bunch. Turning around again, which a one, two, three, he jumped up, but with no greater success. Again and again he tried after the tempting morsel, but at last had to give it up, walked away with his nose in the air, saying: ‘I am sure they were sour’.

The moral: It is easy to despise what you cannot get.”

**Mr. Speaker:** — Order! I notice there is some applause from the gallery. We will have to insist that this does not continue.

**Mr. Thatcher:** — Those were boos, Mr. Speaker.

**Premier Douglas:** — I’m sure there is no “booze” in the gallery, Mr. Speaker.

**Mr. McDonald:** — I would hope not — you’re paying them.

**Premier Douglas:** — That exhibits a spirit of exuberance!

**Mr. Danielson:** — They’re on the payroll.

**Premier Douglas:** — Mr. Speaker, yesterday the Leader of the Opposition spent a good deal of time playing the old record that he has played from one end of Canada to the other, and throughout the length and breadth of Saskatchewan, depicting this province as a place of economic stagnation, where nothing has happened, where everything is backward — a place in which there has been no progress. No man has done more to try to belittle this province in other parts of Canada than he. He peddled this story of his up and down the length and breadth of Saskatchewan last May and June. But he couldn’t make the people believe him, because they had the evidence all about them. One thing the Liberal Party has never been able to forgive the electorate of Saskatchewan for is that they won’t swallow these tall tales which they have been telling.

What are the facts about the economic situation in this province and in Canada? You might as well recognize,

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Mr. Speaker, that Canada is in the grip of an economic recession and that our economy has been losing its momentum for some seven or eight years.

**Mr. Danielson:** — For 16 years!

**Mr. Thatcher:** — That's just Saskatchewan.

**Premier Douglas:** — I don't mind interruptions, but I didn't interrupt my hon. friend yesterday when he spoke for an hour and three-quarters. I would certainly appreciate, unless my friend has something to say that he just keep quiet for today.

The fact is, that during this past year the gross national product in Canada increased only 2½%. When you adjust that for price changes it is only 1%. When you realize that the population has gone up more than that amount and express it on a per capita basis, our gross amount national product on a per capita basis actually declined 1.2%. The picture in Canada is not an encouraging one. Consumer demand has been slowing down and there has been a decline in capital investment. The unemployment situation in Canada is the worst we have had since the 'thirties', averaging in 1960, 7% of the labour force out of work or seeking jobs. At December 31 last, 528,000 unemployed represented 8.2% of the labour force. We must all be concerned about a situation as serious as that.

Against this national background, I want to say that the Saskatchewan economy has stood up remarkably well. We would have done better in a booming and expanding economy, but our economy has stood the brunt of an economic recession — even better than we have had any right to expect. The net value of commodity production during this past year is estimated at over \$1,000,000,000. That is 15% higher than the year before. A good part of this, I say in all fairness, is due to a good crop. Our personal income for 1960 is estimated at \$1,350,000,000 — up 14% over the previous year. Our unemployment which, in 1959 was less than 3%, last year averaged less than 4% of our total labour force.

I am not going to suggest for a moment I am happy that an unemployment percentage of less than 4% exists, but I want to point out that it is less than the national average which is 7% and less than the prairie regional average which is 4.2%. It is less than Ontario with 6.4%, Quebec with 10.1%, and the Atlantic provinces with 11%.

The Leader of the Opposition yesterday was talking about 28,000 unemployed in Saskatchewan. It is not something that makes us happy. But he makes no comment at all of the 49,500 unemployment in Alberta, and the 34,000 unemployed in the province of Manitoba.

The fact is that the provincial economy has remained fairly stable in the face of a national recession and a low level of farm income. The fact that we have been able to have this degree of stability is due to the fact that we have been able to broaden and diversify our economy during the past 15 years.

The net value of production in 1950 — a decade ago — was \$636,000,000. As I said a few moments ago, this last year it was over \$1,000,000,000 representing an increase of some 60%. This is due to greater diversification. Ten years ago, 75% of our total production was agricultural and only 25% non-agricultural. This year, with a much bigger crop, less than 50% per our production was agricultural, and more than 50% non-agricultural. If you look at some percentage figures you will find them interesting. In 1950, mining represented 4% of our total output; last year it represented 16%. In 1950, manufacturing represented 8% of our total output; last year it represented 13%. In 1950, construction represented 10% of our total output; last year it represented 18%. In 1960 and 1950, our farm output was about the same — \$625,000,000. Therefore, the great increase in our output has been due to the non-agricultural sector of our economy. Take commodity production in mining for instance. In 1950 it had a gross value of \$20,000,000. In 1960 it was \$179,000,000. Last year the gross value of all our mineral production was some \$214,000,000.

I was interested yesterday when the Leader of the Opposition was constantly making comparisons with our neighbouring provinces. He didn't point out to the House that whereas our petroleum production last year in Saskatchewan went up 8.5%, Alberta went up only 1.1% and Manitoba went down 8.7%. In 1950, manufacturing was \$218,000,000; this past year it was \$350,000,000. Construction, in 1950 was \$119,000,000. In 1960 it was \$353,000,000. Electric power in 1950 was \$12,000,000. In 1960 it was \$41,000,000.

The non-agricultural segment of our economy is becoming increasingly important. The emphasis, as I pointed out to this House before, had to be placed, and still has to be placed on primary industry. As we move from primary industry

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to manufacturing industries, it too will become important. Since 1950, 320 new manufacturing concerns have been established. We have averaged 51 new concerns a year for the last five years. During the past year the expenditures in new and expanded plants in manufacturing alone amount to some \$50,000,000. These have included new items such as steel plate, cattle feeds, paints, septic tanks, TV tubs, pumps and water softeners, oxygen and acetylene, fibre glass boats, school furniture, structural steel, soaps and detergents, shotgun shells and potato chips.

The number of people in 1950 engaged in these industries was 10,596. Last year it was 12,500. The D.B.S. Monthly Survey of Larger Firms shows from September, 1951 to September, 1960 an increase of more than 30% indicating the growth of these larger and more powerful manufacturing concerns. Of particular significance is the growth of the iron and steel product industry. The Industrial Office, for instance, has made 23 loans to this industry, totalling \$2,924,000. The iron and steel products in 1960 accounted for 10 new firms and 7 additional under construction or coming into operation. Since 1945 there have been announcements of 71 new firms in the iron and steel products industry alone.

The Leader of the Opposition yesterday talked a lot about phantom industries. It is true that there have been companies like the Hoesch Company of Germany, and Campbell & Associates of Vancouver who not only made announcements of new industry, but spent very considerable sums of money and then decided not to proceed with their operation. This, of course, can happen at any time. But my friend did not check some of these facts very carefully yesterday. He talked about the Electrolier Plant of Weyburn, and said he had talked with the former Mayor, the Liberal candidate, and he said it was just a warehouse they had there. If he had made further inquiries he would have found that these people not only have warehouses there, but have secured the necessary space and plan to move their machinery into operation and begin manufacturing. They have had some trouble at their head office plant, but this does not mean that their program is not being proceeded with.

He had a lot of fun about the 'Miracle' building which was going to be made at Weyburn. Well, if he had looked around a little he would have found that this industry, instead of going to Weyburn has been taken over by an aggressive firm in Moose Jaw. They claim to be the largest manufacturers of truck hoists in western Canada, and they

expect within the course of the next few months to be in business in building material. A number of these people who are called 'phantoms', have already been calling in to say that they are very much alive. The Leader of the Opposition said that a plant is manufacturing septic tanks at Wynyard, and according to his report there is only a sales office in Saskatoon, Regina and Moose Jaw, and the firm is currently employing five people.

**Mr. Thatcher:** — That's what your bulletin said.

**Premier Douglas:** — The manager of the plant said that there are 22 full time employees, not 5, and instead of having 3 agents, they have 70 agents. He said that they are concentrating on septic tanks, and they hope to make 2,000 tanks this year. They also say that they are going to make monuments for cemeteries. After the speech the Leader of the Opposition made yesterday, I think they would be prepared to contribute a tombstone when they come to bury the hopes and aspirations of the Liberal Party. The Leader of the Opposition talked about these little industries, some of which were not included in the 32 industries mentioned in the Speech from the Throne. But he said nothing about the fact that the first steel ingot was poured in this province for the first time in its history. Saskatchewan now has the nucleus of a steel industry. There is nothing about the Dominion Bridge Company coming in here to put up a structural steel plant. There was nothing about cement or steel pipe. He said nothing about these other industries. He talks about iron ore and petro-chemical industries. He should know these represents tens of millions of dollars of investment. When I talked about a petro-chemical industry a little over a year ago, on coming back from overseas, he hardly expected that in a few months somebody was going to put up twenty or thirty million dollars to start a petro-chemical industry. It's not like starting a hardware store! It takes a lot of money. I think if my friend will just have patience he will see development in these industries in due course.

He spoke rather slightly of the potash industry. He said that although we had talked about the potash industry, we had kept from these people the conditions they would run into. We couldn't tell them whether or not there was going to be quicksand in the Blairmore formation. But if he had looked at the Saskatoon Star Phoenix, of February 10th, he would have seen a statement there by John W. Hall, of the Potash Company of America, in which he said,

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“A twenty-six million dollar mine had been in operation for about a year, the first ore being brought up in early November 1958, when it was forced to close down November 1st, 1959, because of considerable water entering the shaft and threatening to engulf the workings.”

The article goes on to say that they have solved this problem. It said:

“Mr. Hall is optimistic for the future of the plant. He said there is an expanding market for potash, showing a 4% to 5% growth each year. Both the export markets and the world demands were good, and he anticipated they would stay good.”

This constant attempt to make it look as though industry will not come to Saskatchewan, and trying to doctor up figures to support it, Mr. Speaker, is not going to commend itself to the people of Saskatchewan. Yesterday the Leader of the Opposition got out the Public and Private Investment pamphlet, put out by the Department of Trade and Commerce, Ottawa 1960, and on page 10 he picked out one little item. It was manufacturing. He quoted that, and said that there was six or seven times as much investment in Alberta and Manitoba. When he quoted Alberta, in addition to quoting manufacturing, he quoted processing plants, oil refineries, gas processing companies, which are not in the manufacturing.

This constant confusion between primary industries and secondary industries is something which the Liberal Party has done for years in order to attempt to mislead people. Let's look and see what the figures are. If we take out of public and private investment, that is, all social capital including money for schools, churches and housing, and take only industrial and commercial investment, whether for primary industries or secondary industries, what do we find? We find that last year the investment in Saskatchewan was \$435,400,000. For our neighbouring province of Alberta, of course, it was higher, \$819,000,000. For Manitoba it was less than Saskatchewan, only \$394,500,000. Mr. Speaker, take it on a per capita basis, which is the only fair way to compare figures between provinces. Take it on the amount of investment for commercial and industrial purposes per head. Last year, Saskatchewan was the second highest in Canada.

**Mr. Thatcher:** — Mr. Speaker, I wonder if the Premier would permit a question.

**Premier Douglas:** — Yes surely.

**Mr. Thatcher:** — Well now, Mr. Premier, I think in fairness you would agree you are also including the investments of farmers in farm machinery, which is about two-thirds or three-quarters of that figure you quoted, and of course farm machinery in Saskatchewan is much greater than in any other province.

**Premier Douglas:** — Mr. Speaker, the hon. Member made a speech yesterday and I don't see why I should give him time to doctor it up today.

**Mr. Thatcher:** — I didn't want you to get away with this.

**Mr. Danielson:** — He doesn't like it.

**Premier Douglas:** — This covers all commercial and industrial investments. The fact is that Saskatchewan has the second highest per capita investment in Canada for industrial and commercial purpose. Moreover, Mr. Speaker, take the steady growth in this investment. The average from 1950 to 1953 in Saskatchewan was \$380,000,000. For the last three years the average per year has been \$612,000,000. The gentleman across the way has been constantly trying to rub out these facts by saying a lot of this is for schools and hospitals. As a matter of fact Saskatchewan is above the national average in the percentage of total investment which is going into commercial and industrial purposes. Our percentage is over 70%.

The result of this constant increase in the amount of money invested in the province, for industrial development and for the extension of commercial enterprise, has broadened the employment opportunities for our people. The agricultural labour force, as everyone knows, has dropped from 148,000 in 1951 to 127,000 in 1960. That is a reduction of 15%. Also, in some of the highly mechanized industries like refineries, automation has reduced the number of people employed, although the amount of goods produced has been greatly increased. Despite that, Mr. Speaker, the total labour force in Saskatchewan, which in 1951 was 302,000 was 316,000 last year. Over the past few years Saskatchewan's labour force has expanded more rapidly than the figures for the Prairie Regions, or for Canada as a whole. The non-agricultural labour force has increased from 154,000 in 1951 to 189,000 in 1960, an increase

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of 22%. My hon. friend tried to pick out a few manufacturing plants. They want to forget about the primary industries. They want to forget about the basic industries. But the fact remains that our non-agricultural labour force has gone up by 22% during the past ten years.

**Mr. Danielson:** — Most of them are unemployed.

**Premier Douglas:** — As a matter of fact, Mr. Speaker, if one takes the D.B.S. employment indices which gives 1949 as the base year equalling 100, one finds that in 1960 Canada stood at 118, (that's an 18% average increase across Canada), Manitoba at 111, (which is an 11% increase), Saskatchewan at 126.6 (or a 26% increase) and Alberta 154, (or a 54% increase). Again, Mr. Speaker, the increase over the past few years in Saskatchewan has been higher than the increase in Manitoba, or the average for Canada.

The Leader of the Opposition made the statement the other day that Saskatchewan has the lowest wages any place west of the Maritimes. The disadvantage about making wild and irresponsible statements is that you cannot get away with them. The D.B.S. figures show that for the first 10 months in 1960, the average wage in Saskatchewan was \$72.00. This is lower than Ontario, lower than Alberta and it is lower than B.C. But it is equal to Quebec and it is higher than Manitoba. When a man comes in and says this is the lowest west of the Maritimes, he is only trying to deceive the people or he doesn't know what he is talking about.

The hon. Member goes further and talks about population decline. Everyone knows that rural population has declined, because of farm mechanization. The fact is that from 1936 to 1946 we not only lost our natural increase, we lost an additional 99,000 of our population. But from 1951 to the present time our population has increased by 88,000. That doesn't mean we kept our natural increase. We didn't. But at least we stopped going back and we kept some of our natural increase. The last survey shows, Mr. Speaker, that during this period 6 out of 10 Canadian provinces lost a share of their natural increase, including all of the Atlantic provinces and Saskatchewan and Manitoba. This is what my friend failed to recognize. While this loss of rural population is a trend, due to mechanization, in terms of the urban community we have had the second highest increase in Canada. Our increase in Saskatchewan in the urban population in the inter-census period was 28%. Only Alberta has more, with 41%, B.C. was 24%, Manitoba was 16%.



The real measure of growth is not only population. It is the wealth which is produced for people to enjoy. In terms of wealth produced over the last 10 years, personal income has risen steadily. The two-year average for 1950-51 was \$906,000,000. The average for the two-year period 1959-60 was \$1,260,000,000. There has been some change in prices so bring it down to constant dollars and adjust for price changes. Ten years ago, the average was \$827,000,000. The average for the last two years was \$975,000,000. This is an increase in personal income in constant dollars of \$148,000,000. Not only is our population coming back, not only have we stopped the downward trend and have 88,000 more people in the province, but we are producing more wealth and the personal income enjoyed by our people has been increased.

Mr. Speaker, I would say, with all due modesty, that I think the Government's program has contributed to this encouraging picture. For years, through our Resources Department we have carried on surveys and inventories of resources. We have conducted aero-magnetic surveys. We instituted the prospectors plan and built the core laboratory. We helped with technical and scientific research through the Saskatchewan Research Council. We have helped to improve the basic utilities which are needed for industry, including communication, better roads, power and natural gas. We have surveyed for water and we are now spending money on the South Saskatchewan Dam, in order to provide an abundant water supply for the larger cities in the province. We have spent large sums of money on technical training, because you cannot have industries unless you have a trained labour force. The Technical Institute which we have just opened a short time ago is an indication of that fact.

We have also encouraged both co-operative and private companies to invest in Saskatchewan. The Industrial Development Office which was set up some 10 years ago is now a full-time department, and they have now enlisted the support of both Regina and Saskatoon who have engaged full-time industrial development officers.

The Industrial Development Fund has made some 90 loans totalling over \$6,000,000. The Government has underwritten bonds for major large-scale projects such as cement, steel and the Co-op Refinery. Under the Co-operative Guarantee Act, assistance will be given to the Inter-Provincial Co-operative chemical plant at Saskatoon, which when it is completed with cost some \$6,000,000.

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Public enterprises, Mr. Speaker, have played an important part in developing this role. I was surprised when the Leader of the Opposition, who has talked a great deal in the past about Crown Corporations, did not spend any time yesterday talking about Crown Corporations.

**Mr. Thatcher:** — I will, before too long.

**Premier Douglas:** — Well, I hope he gets the facts better in the House than he got them when he was talking in the country. There are some things he ought to know about the Crown Corporations. Last year they did \$90,000,000 worth of business. They gave employment to 5,800 people. They paid out wages and salaries of \$26,000,000. They made grants and payments to municipalities of \$1,433,000. They now have total assets (net of depreciation) of \$497,000,000. Government direct advances have been \$383,500,000. The House will be interested to know that from the preliminary figures (the audited reports will be tabled shortly) indicate that for 1960 every Crown Corporation will show an operating surplus, in spite of the fact that we have had over-all business economic recession in Canada.

The Opposition always like to talk about the so-called CCF Crown Corporations. They say that Power and Telephones are utilities so you can't take them. They like to talk about the others. Well, let's look at the other ones. The other nine Crown Corporations represent an investment by the people of Saskatchewan of \$8,500,000. They have paid back to the people of this province since 1944, the sum of \$13,398,000 after paying all operating costs, and providing for the capital losses of the Woollen Mill and the Shoe Factory and all the other losses that were involved.

**Government Members:** — Hear! Hear!

**Premier Douglas:** — They have paid back the people of Saskatchewan one and one-half times of what was invested, and we still have the assets worth \$32,000,000.

The two utilities, of course, have contributed a great deal to the economic development of Saskatchewan. When we took office we found that in 1945 there were 25,000 customers for the Power Corporation. Today there are over 186,000 of which 58,000 are on farms. Power production has more than doubled since 1955. The gas program which did not exist in

1944, in 1952 had only 290 customers and today is operating in some 95 centres, 24 of which were added last year, and it now has over 71,000 customers. The telephone system has been greatly expanded. In 1946 it had 52,000 telephones; now it has 183,000.

I was surprised that the Leader of the Opposition didn't make his usual little speech about the sodium sulphate plant at Chaplin. He always likes to talk about that, because it is in his Constituency. He used to talk about the fact that we put everybody else out of business to run the sodium sulphate plant. He said it was a million dollar baby which we built in order to win a by-election in Morse. The fact is, of course, that this plant is operating in competition with three other plants in the province. During the past year it earned a surplus of some \$300,000 which represents 30% return on the outstanding advance. Thirty percent is pretty good, even for a hardware business! Since 1947, when it was erected, this company has paid in surpluses totalling nearly \$1,700,000 and by the end of this year will have paid back twice what was invested in it, and in addition the people of this province will own it. They paid also to the Government in royalties, some \$550,000 and it paid out over \$3,000,000 in wages.

Mr. Speaker, it is not enough to talk about industrial development or increased wealth production unless that increased wealth production is of some value to the people in the province. Fair shares for all the people can only be accomplished in a democratic society through the will of the community, as expressed by the electorate and implemented by the Government which it elects.

The Leader of the Opposition talked a great deal yesterday and the day before about high taxes. Mr. Speaker, it is always easy to have low taxes. All you need to do is have no services — that's all. Taxes have a two-fold function. Taxes make it possible for a community to do things together that they cannot possibly do individually. You could cancel the gasoline tax and car licence fee and let everybody build their own roads. This is not feasible. You could cancel the educational taxes and let people educate their own children at home. This is not feasible. You could have less taxes if you paid your own cancer bills, provide your own care for tuberculosis, provide your own care for mental illness, and if some member of your family is sick, paid for you own hospitalization.

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The function of taxes is to collect money so that all of us can do things as a group. If you accept the philosophy of the gentlemen opposite, which is 'paddle your own canoe' whether you have a paddle or not, you don't need taxes. But if you believe that we are all in the same boat, and we have got to paddle together as a group for the benefit of all then, of course, you do need taxes.

The second function of taxes is that they are the means by which we redistribute wealth. They are a means by which we collect from those who are better off to provide some welfare to those who are less well off. They are a means by which we collect from those who have no families to help educate the families who have children. The gentlemen opposite may not believe in some form of redistribution of wealth. They may not believe that the community as a whole ought to have high social objectives. But I want to say, Mr. Speaker, that the sole purpose in the mind of this Government when it seeks to develop our resources and to expand our industry, is that we may increase wealth production so that we can improve the standard of living of our people and so that we can have better social conditions for the people of this province.

**Government Members:** — Hear! Hear!

**Premier Douglas:** — I think this is reflected in our program. You will find, if you take the trouble to check, that of all the provinces in Canada, Saskatchewan spends a larger percentage of its budget on health, welfare and education than any other province. The Saskatchewan figure was 57.7% in the year 1960-61. Alberta was second with 55.7%. If we take the three fields on a per capita basis, we find Saskatchewan spends \$96.82 per person of the population. Alberta and B.C. spend more per capita, but Manitoba and Ontario spend less per capita than we do on these three important things. When we come to the field of health, Saskatchewan spends more money per capita through this Government than any other province in Canada. We spend \$41.54 and the closest to us is B.C., with \$38.04 per capita. In the field of education, we are spending \$41.54 per capita. Again, Alberta and B.C. are ahead of us but we are in turn away ahead of both Manitoba and considerably ahead of Ontario. In social welfare we are spending \$13.74 per capita. It is again slightly less than Alberta and B.C., but considerably more than both Manitoba and Ontario.

A great deal has been said these days about the mental health program. I want to point out, Mr. Speaker, that the province of Saskatchewan, through its Government, contributes a larger percentage of the care of mental illness than any other province in Canada. The closest to us is B.C. which spends \$6.32. Alberta spends \$5.55 and Manitoba spends \$4.28. When you compare the standard of salaries of psychiatrists and other service personnel, with one or two minor exceptions, we are making the highest payments in Canada. We also have the best record in Canada in terms of discharges as related to admissions.

When we are talking about how we distribute this extra wealth you get, it seems to me that it is important to say something about the Medicare Care Plan. Last year the Government campaigned on a plank to set up a prepaid Medical Care Plan. We said that we hoped that the Advisory Committee on Medical Care, which had been established, would bring down a report either in the latter part of 1960 or sometime in 1961. We set as our target that we would have a Medical Care Plan in operation sometime in 1962. Mr. Speaker, there has been no change in the target date which we have set. We still expect and believe that a Medical Care program can be set up in 1962.

But yesterday the Leader of the Opposition made a very strong plea for postponing the implementation of a prepaid Medical Care program. He did so on two counts. The first was that the poor economic conditions at the present moment made it unwise to proceed, and secondly that a Royal Commission was going to be set up by the Federal Government to look into the whole case of medical care. Let me examine for just a few moments these two items. The first, that poor economic conditions make it unwise to proceed at this time. Mr. Speaker, I suggest that periods of poor economic conditions and when we are in an economic recession is precisely the time that people need prepaid medical care. The Leader of the Opposition said yesterday that this is going to cost \$18,000,000 or \$20,000,000. That is probably correct. That is about our estimate. Mr. Speaker, the people of Saskatchewan are now paying about \$18,000,000 to \$20,000,000 a year for medical care. The only difference is that at the present time it is being paid by the people who are sick. Under our plan, everybody will contribute, so the burden will not fall on the unfortunate few.

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The Leader of the Opposition tried to bolster his argument by saying that we should look at Great Britain where they expected it to cost very little and it is now costing \$800,000,000 a year. Yes it is. But stop and figure it out. This is less than \$50 per capita. If we could get medical care, surgical care, hospital care, dental care, artificial teeth, hearing aids and drugs and all the other health services for that figure, don't you think we would consider ourselves fortunate? When I was in London I talked to one of the senior Cabinet Ministers in Great Britain. He is a Conservative. He said, "Mr. Douglas, when the British Health Services Act came before Parliament, I voted against it. I am not proud of that fact." He said, "We would never go back to the old system. If the Health Plan costs us twice what it is costing us it would still be worth it." Mr. Speaker, the fact that times are difficult is no reason for not proceeding. This is precisely the kind of period when people need to be insured against calamitous illness and against catastrophic medical bills.

The second argument was that there is going to be a Royal Commission appointed, and therefore we shouldn't do anything. I am glad that the Federal Government has appointed a Royal Commission, and I think their selection of a Chairman is an excellent one. But we don't know how long this Commission will take before it brings down a report. We have no guarantee that the Government will act on the Report when it is brought down. We may be talking about a period of 3 years, 5 years or 20 years. As a matter of fact, some Members will remember that back in 1919 the Liberal Party, at its great convention when Mackenzie King was chosen as their leader, pledged itself to introduce in Canada a comprehensive system of National Health Insurance.

**Mr. Thatcher:** — Mr. Speaker, I wonder if the hon. Premier would permit a question. I wonder if he remembers a speech he made March 24, 1943, when he said it would immediately bring all medical science . . .

**Premier Douglas:** — Oh, sit down!

**Government Members:** — Will the hon. Member please sit down!

**Mr. Thatcher:** — He made this promise, too — that was 18 years ago!

**Premier Douglas:** — Mr. Speaker, my hon. friend need not worry about this Government's record. We have taken it to the people of this province four times, and have had it endorsed. That's something he has never had!

**Mr. McDonald:** — You bought it!

**Premier Douglas:** — Four times the people of this province have endorsed our record. I want to say further that we have gone further in providing health services than any province in Canada, and certainly more than any Liberal Government ever did in Canada.

**Mr. McDonald:** — And carried out less of your program than anybody in Canada.

**Premier Douglas:** — The hon. Member is trying to kill my time, but it is not going to work. In 1919 the Liberal Party pledged itself to National Health Insurance. That was over 40 years ago.

**Mr. Thatcher:** — And 18 years ago . . .

**Premier Douglas:** — In that period they were in office for 31 years and they left office without having implemented one single iota of health insurance. They got the Hospital Insurance Plan on the statute books, Mr. Speaker, in the hope that it would get them through the election but they did not give one single dollar for hospital care under that Plan — not a nickel. They just passed the legislation.

**Mr. Thatcher:** — You're kidding!

**Premier Douglas:** — If my hon. friend would just keep quiet. I listened to him yesterday for an hour and three-quarters and heard the worst garbage I have listened to in years, and I did not interrupt him. If he will just possess his soul in patience, he will get all that is coming to him, if he will just keep quiet.

**Mr. McDonald:** — Well, stick to the truth then.

**Premier Douglas:** — Mr. Speaker, I want you to notice that the Liberal tactics are like this. "We are in favour of health insurance. We promised it back in 1919, but when we were in office we did not do anything about it. But now that we are out of office we are in favour of it again. But now is never the time to do it. It is never the time to do it now. Always after a Royal Commission report, or after something else happens."

Yesterday, Mr. Speaker, the Leader of the Opposition made an appeal to the people of Turtleford. I don't

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know how proper it is to make an appeal from the floor of the House, but he did because it seems to be on his mind these days. I want to say this to him, that his arguments yesterday telling the Government we ought to postpone the Medical Care Plan and not to introduce it for 1962 ought to serve notice to the electors of Turtleford that a vote for the Liberal candidate is a vote to postpone implementing the Medical Care Plan. It will please his doctor friends who contributed to his campaign funds for the leadership of the Liberal Party, which the Member for Maple Creek (Mr. Cameron) will know something about. The Leader of the Opposition has tossed the Turtleford Constituency out the window.

**Mr. Thatcher:** — You'll be surprised next Tuesday!

**Premier Douglas:** — Mr. Speaker, I want to spend just a few moments saying something about the national economy, because the country faces a very serious situation. As I said earlier, our gross national product on a per capita basis actually went down last year by 1.2%. In constant dollars there has been a reduction on a per capita basis in the merchandise which we have exported. As our economy is slowing down, it is not because there is any lack of goods produced. There is an abundance of almost every commodity which you can name. Nor is there any shortage of manpower. As a matter of fact there are over half a million people in Canada looking for jobs. Why is our economy losing its momentum? There are two reasons. The first is that there is a decline in the domestic demand for our economic output. Secondly, there is a slackening in the overseas demand for Canada's products.

I suggest this is a problem which has to be tackled on a national scale. No province can become an island. We in this province can use whatever resources we have to put money into circulation by putting up buildings and by providing social aid. We can train the unemployed for jobs. We can invest as much public money as we can in promoting public utilities. But in the final analysis those who control the fiscal policy of Canada must do something to stimulate the demand for goods. Where is this demand? I submit, Mr. Speaker, there is a latent demand. Last year, out of 6,000,000 income earners in Canada, 2,000,000 of them or one-third, did not earn enough to pay income taxes. That means they didn't earn \$1,000 a year if they were single, or \$2,000 if they were married with no children. Thirty years ago Franklin D. Roosevelt



said: "The United States should be alarmed by the fact that one-third of its people were ill-fed, ill-housed and ill-clad." It can now be said of Canada that one-third of our population has less income than is necessary for a decent standard of life. We cannot possibly get our national economy onto the rails with a new growth and a new momentum unless this lower third of our income group have the necessary purchasing power to buy the goods which we are able to produce in such abundance.

That is why I have said repeatedly, and I want to say it now, that the answer lies in stimulating purchasing power. How can this be done? It can be done by reducing taxes on the lower income groups so as to allow them to keep more of their income to buy goods. It can be done by increasing transfer payments, such as old age pensions, family allowances, P.F.A.A. payments and unemployment insurance benefits. It can be done by the Federal Government making money available at low rates of interest to the provinces and municipalities, to proceed with employment, to create socially useful projects, such as building schools, hospitals, roads, parks and recreation sites. It can be done by the Federal Government itself setting up a tremendous housing program not only in urban centres but on farms as well. We could build 2,000,000 houses a year in Canada and we wouldn't have any difficulty finding people who need them. The problem, Mr. Speaker, is no longer one of inflation. The problem now is one of under-consumption and under-employment. If we are faced with the problem of inflation we can correct it by having selected price controls on those articles which are in a monopoly situation. We could liberate a great wave of purchasing power in Canada by putting purchasing power into the hands of this lower third.

We must also do something about export trade. We need to dispose of our agricultural products by removing trade barriers between nations, by being prepared to enter into barter agreements with them, by being willing to take the currency of other countries, by even making free gifts of large quantities of our agricultural products which will be of far more use feeding hungry people than they will be lying here in danger of spoiling.

In closing, Mr. Speaker, I want to say that we have one major and over-riding problem and that is the survival of the human race in the face of the threat of nuclear war. We are confronted today with dangers that arise from the plotting of power-hungry men, and also from the risk that

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some trigger-happy general may push the wrong button. Clemenceau once said that “War is too important to be trusted to generals.” That is even more true of peace. We in this country and every other country of the world must recognize that war and force as an instrument of national policy is obsolete. We can no longer defend ourselves against inter-continental missiles and against nuclear warfare. Resort to war today means, not the destruction of a few thousand people but it can mean the destruction of the human race and of all that we are pleased to call civilization.

I believe that the time has come when Canada must give some leadership to the other nations of the world to help build and establish the rule of law in the world. Canada could give this leadership to the middle powers, Mr. Speaker, but we cannot do so as long as we are looked upon as a military satellite of one of the major antagonists. I think the time has come for Canada to take an independent position. If Canada feels as most people, I think, in Canada do, that a nation such as China should be allowed to come and sit in the councils of the nations and be allowed to become a member of the world community, and be compelled to obey the laws of the world community, then Canada should have the courage to stand up and say so.

**Government Members:** — Hear! Hear!

**Premier Douglas:** — When I say Canada should take an independent position I do not mean that Canada should withdraw into isolation. Rather Canada should be prepared to surrender its sovereignty and work through the United Nations in order to help maintain peace in the world. Mr. Speaker, what is the alternative if we do not follow this policy? Mankind has learned to control the forces which hold the universe together, it now remains to be seen whether or not he can control himself. Man has grown up, technologically and scientifically. It now remains to be seen whether he has grown up morally, socially and spiritually. The great test of our time is whether or not there are nations in the world who are prepared to give the necessary moral leadership to break the impasse which faces humanity and to lift the eyes of the nations of the world to some new kind of human relationship in order that men may learn to live at peace together. Someone has said that “Man has learned to fly through the air like a bird, to swim through the sea like a fish, to burrow beneath the ground like a mole — if he could only learn to walk the earth like a man this would be paradise.”

This is the crying problem of our time. How do we learn to live together under the rule of law. I have no illusions, Mr. Speaker, that everybody is going to sit quietly by and that there aren't going to be some nations which insist on trying to take something that doesn't belong to them. There will always be difficulties; there will always be problems; there will always be outbursts. But unless we come to the place where these will be dealt with on a collective basis and not by the unilateral use of force by any single power, then the chances of our surviving or our children surviving, is very remote. To me, Mr. Speaker, this is the number one issue which faces mankind. Unless we can settle this problem, settling all the other problems will be for naught. That is why in this Legislature and every other Legislature, and wherever men and women gather together to discuss the problems of their day and generation, this matter must be talked about. This matter must be discussed. Ideas must be formulated. Public opinion must be crystallized around the idea of building a world of sanity, and a world in which man can survive.

The Leader of the Opposition, the other day, confidently said that the CCF were going to disappear. I think he underestimates the great drive in the CCF. Under whatever name, the things for which the CCF stand — social justice, economic equity and human brotherhood, will survive, Mr. Speaker. They will survive as long as there are dedicated men and women, who — come could or heart, danger or pain, or even death — will work day in and day out until that day comes when men and women of all races and all colours shall come from the north, the south, the east and the west, to sit down together in “the Parliament of man and the Federation of the world”.

(Debate adjourned)

The Assembly adjourned at 4:09 o'clock p.m.