

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**First Session — Fourteenth Legislature**  
**22nd Day**

**Friday, March 10, 1961.**

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

On the Orders of the Day.

**WELCOME TO STUDENTS**

**Mr. Arthur Thibault (Kinistino):** — Mr. Speaker, I take great pleasure in introducing to the House the fine group of Grade XII students, sitting in the galleries to your left. They are from the Kinistino School Unit, led by their teachers Miss Orton, Mr. Sadalowski, Mr. Payne, Mr. Hurlbert, and I hope that their stay here will be a pleasant and an educational one.

**WELCOME TO STUDENTS**

**Hon. Mr. Blakeney (Minister of Education):** — Mr. Speaker, I would like to call to the attention of the Members, the fact that there is in the gallery a group of students, who constitute the special interest class, from Regina Public Schools, under the guidance of their teachers. These students are partaking of an enriched curriculum. I hope that this afternoon will contribute to the enrichment, and that the afternoon will be both interesting and profitable.

**WELCOME TO STUDENTS**

**Mr. J.W. Gardiner (Melville):** — Mr. Speaker, I would like to call attention to the fine group of students sitting in the gallery to your right. They have come from the File Hills Indian Agency in my Constituency. The children come, I understand from the three schools that are established in the Agency. There is as well a point of interest that Mr. J.B. Pinay, who is with the children as well, is the father of one of the page boys in the House, and I am sure that that

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fact will be very pleasing to his son and to the other students who are here to see one of the boys that attended their school working with us here in the Legislature.

I hope that your stay here this afternoon will be a happy one, that you will learn much from your visit with us, and not having had the opportunity of welcoming you personally, as you just arrived, I want to welcome you on my own behalf, and also on behalf of all the Members of the Legislature, and hope that you have a very enjoyable stay in the Legislature this afternoon.

### **WELCOME TO STUDENTS**

**Mr. Douglas T. McFarlane (Qu'Appelle-Wolseley):** — Mr. Speaker, I would like to extend a welcome to a group from the Assiniboine Indian Reservation just south of Sintaluta. Not having had the opportunity of greeting them personally before they came into the gallery, I would appreciate having the opportunity later on this afternoon.

I just want to assure them that any remarks they hear from this side of the House this afternoon will be most enlightening and most educational.

### **BUDGET DEBATE**

The Assembly resumed from Thursday, March 9, 1961, the adjourned debate on the proposed motion of the Hon. Mr. Lloyd:

That Mr. Speaker do now leave the Chair (the house to go into Committee of Supply)

**Hon. J. Walter Erb (Minister of Public Health):** — Mr. Speaker, first of all I should like to thank all hon. Members who rose in their seats to draw our attention to the fine students in this Legislature this afternoon. I am sure that at no other time could they have assembled such a large number of students to take advantage of a better augmentation to their education than this afternoon.

Mr. Speaker, when I adjourned the debate last night, I had congratulated you upon the election to your high office, and expressed my wishes as well as those of this Assembly, that your experience will be a most rewarding one, in your high office. I extended my congratulations to the newly elected Members of this House, and I concluded my remarks with a gentle admonition to my friends opposite to whom I now say, Mr. Speaker, Pax Vobiscum, because I shall not indulge in anything else but that which pertains to my Department.

**Mr. McDonald:** — You will be very fluent this afternoon . . .

**Hon. Mr. Erb:** — As I have suggested on similar occasions in the past, Mr. Speaker, I will refer the Members of the House to the major reports of the Department of Public Health which are tabled in the House, specifically the Annual Report of the Department, the Report of the Saskatchewan Vital Statistics, and the Annual Report of the Hospital Services Plan.

I am sure a careful study of these reports will give the reader a much more comprehensive understanding of the departmental programs than I could possibly give in a limited period of time, this afternoon. The Department of Public Health has, since its inception, placed its major emphasis on activities which will prevent disease. Indeed, a great American public health statesman, the late Dr. C. Winslow has defined public health as the science and art of preventing disease, promoting physical and mental health and efficiency through organized community efforts. To my mind a superb example of the art and science of prevention through organized community action has taken place in this province in the further march toward the control of one of the serious infectious diseases namely poliomyelitis.

The hon. Members will have read in the press just last week the reports coming out of the city of Prince Albert of a new major research effort of great significance for Saskatchewan and for the nation. I refer, of course, to the community-wide demonstration involving the entire population of Prince Albert, and of the use of a new oral polio virus vaccine which can be taken by mouth. Saskatchewan has had its share of poliomyelitis, that is paralytic poliomyelitis, over the years. Although we have not been the most severely

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affected province, nonetheless we have had our outbreaks, which culminated in the epidemics of 1952, and 1953, when two-thousand, four-hundred cases and one-hundred and sixty deaths took place in that two-year period. At that time the picture looked grim indeed, and all of our health personnel, hospitals and air ambulance, rehabilitation services, and other resources, worked around the clock to care for the afflicted patients.

Then a major turning point came in 1955 with the successful demonstration in the United States of the value of the poliomyelitis vaccine now associated with that outstanding scientist, Dr. Jonas Salk. The difficult problems associated with the production of Salk vaccine were solved in Canada by the Connaught Laboratories in Toronto, and limited supplies became available here in early 1956. I would like to record publicly, Mr. Speaker, my appreciation of the outstanding record and exceptionally high standard achieved by the Connaught Laboratories. They have produced a completely safe and effective product at a reasonable cost, and a great benefit to the people of Canada.

This Government, Mr. Speaker, was prompt in taking advantage of the new preventive weapon and announced in 1956 the policy of using the first limited supply for the free immunization of groups of children with the highest risk of paralytic polio. As supplies of Salk vaccine became available in increasing quantity, it was possible to reach the objective of making it freely available to every person from infancy up to forty years of age. I can report to hon. Members, Mr. Speaker, that by the end of the calendar year 1960 approximately 95% of the young people of this province up to the age of sixteen years, and 65% of the adults up to forty years, have been given this protection against paralytic poliomyelitis. I believe, Mr. Speaker, this is a record of public health activity that is unmatched anywhere in Canada, and I wish to record my appreciation to all our public health staffs, especially our corps of devoted public health nurses, for their unstinting efforts in achieving this result.

Despite this vigorous activity with Salk immunization, we were still faced each year with a certain number of paralytic cases. In 1959 for example we received reports of forty-six paralytic cases and three deaths, with a total of fifty-six cases and eight deaths occurring last year. There are at least two

reasons for the continuation of paralytic disease. First, a proportion of the population, particularly adults, have failed to come forward for their injections, despite widespread publicity and ready accessibility. Second, it is evident that the Salk vaccine is effective for only 85% of the immunized population. I'm advised that the reasons are not entirely clear why a small proportion of people fail to respond to Salk vaccine, and are unable to produce in their blood stream the necessary protective substance. This is the reason why one occasionally hears of persons contracting paralytic polio, although they have been previously immunized.

I turn now, Mr. Speaker, to the new development which took place last week in the city of Prince Albert. The entire population of the city took part in the first community-wide demonstration on trial in Canada. This is a trial use of the oral polio virus vaccine which was discovered by Dr. Albert Sabin of the University of Cincinnati. My Department, in collaboration with the Connaught Laboratories Research, has undertaken this demonstration with the new oral vaccine in order to confirm its effectiveness under field conditions, when the population of an entire city is fed the vaccine. This type of vaccine has already been fed to almost 90 million persons in many countries throughout the world. However, before license is finally granted by the Department of National Health and Welfare for widespread distribution and sales in Canada, a number of demonstrations under Canadian conditions are required. I am informed by my technical advisers that the Sabin oral vaccine may very well have the capacity to protect those persons who fail to respond to Salk vaccine. This possibility exists that the new oral vaccine may succeed in approaching total elimination of this disease in a community where the entire population is fed the vaccine.

The objective of the vaccine demonstration in Prince Albert was to feed as many of the total population as possible, and that within a seven-day period. Moreover, by extensive laboratory studies of about 4% of the vaccinated persons, it will be possible to determine how well the vaccine has lived up to expectations. Our Provincial Laboratories in Regina, by undertaking a substantial part of the necessary laboratory testing have made it possible for this trial to be conducted in Saskatchewan.

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I wish to record, Mr. Speaker, the outstanding co-operation and support, which has been given to our regional medical health officer at Prince Albert by numerous organizations and individuals, by the mayor and city officials, by the clergy, by the Prince Albert Medical Society, by the press, radio and television stations, and many other groups and individual volunteers. I am informed that the people of Prince Albert have responded in a most enthusiastic way. According to the most recent report which I have received, a total of 23,700 people presented themselves and took the oral vaccine. Of this total 21,750 were residents of Prince Albert, and this represents 94.5% of the total population. I think this, Mr. Speaker, is a splendid record.

To my mind, Mr. Speaker, this is another demonstration of the health consciousness of the people of this province, and their readiness to support positive measures for the maintenance of health and the prevention of disease. I want to congratulate the people of Prince Albert and the regional medical officer for this outstanding response.

I can report to the hon. Members that somewhat smaller trials with oral vaccine are going on in the province of Manitoba and Nova Scotia. The result of these demonstrations will be closely evaluated by the Department of National Health and Welfare and its national technical advisory committee on oral polio vaccine. Whether or not licenses will be granted before midsummer, that is after the polio season in Canada has started, is uncertain at the moment. However, the estimates of my Department include an amount of \$25,000 for the purchase of oral vaccine should it be possible and desirable to begin its administration. In the meantime, immunization with Salk vaccine will continue across the province.

Community action for prevention such as I have described Mr. Speaker, with polio vaccine, is made possible by well-organized local health units, established for the various regions of the province. Following the recommendations of the late Dr. Henry Sigerist in 1944, health regions staffed with full-time, properly trained public health personnel were gradually established across Saskatchewan. In general they have functioned successfully and are a living example of the fact that groups of urban and rural municipalities can co-operate and pool their resources for the common good.

I would say quite emphatically, Mr. Speaker, that the formation of health regions has strengthened local government in the health field, and has offered a level of service which individual municipalities could not achieve. On January 30th the intention to establish the Saskatoon Health Region No. 8 was announced in the "Gazette". Once this health region is established the entire province will then be included in an organized system of modern, effective, public health service. I believe, Mr. Speaker, this achievement is to the credit of the people of our province who understand that prevention is the keystone to health, and expenditures for prevention are a sound investment for health.

In considering the major health problems which lie ahead, our attention is directed more and more to the impact of our aging population, Mr. Speaker. The Annual Report of Saskatchewan Vital Statistics, which was tabled on February 22nd last, for the first time includes a table on life expectancy in this province. This table shows that life expectancy for males reached an all-time high of 69.8 years, and 74.1 for females. Saskatchewan now has about 9% of its population in the age group 65 or over, which is higher than the figure for Canada as a whole. This extension of human survival means that more of our people, by reaching advanced years, enter the period when chronic and disabling diseases are more prevalent. Everyone who has carefully studied this problem recognizes that the maintenance of health among the aged, requires much more than treatment of these diseases. We must seek out measures that will discover chronic disease in its early stages – measures that will retard the onset of disability, and services that will rehabilitate older persons to independent living in the community.

At the moment there are two activities underway in the province, Mr. Speaker, which can have a very important influence on future action in this field. First, the Government has established a broadly representative committee on aged and long-term illness. This committee is actively engaged in gathering essential facts about the aged and the associated problem of long-term illness in Saskatchewan and elsewhere. The committee will carefully examine the resources and services which are presently available, and its final report to the Government will recommend the direction we should take in the future.

The second activity has to do with the promoting

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of the fullest public discussion of these important questions in all areas across the province. Under the guidance of the aged and long-term illness project, a series of regional conferences have been held to discuss the needs of the aged, and what might be done in local communities to meet these needs. I believe, Mr. Speaker, that this approach will derive considerable results in finding the way to the solution of a complex medical, social, and economic problem, which our aged citizens are facing in these times of rapid change.

One important and vexing health problem which we currently face has to do with our efforts to prevent dental decay. Tooth decay, particularly among our younger population, is a serious and cumulative health problem, and sooner or later the public, the profession, and all levels of Government must face up to its implications. One of the serious aspects of this growing problem of dental ill-health has to do, of course, with the shortage of professional dental personnel, particularly dental practitioners. I am firmly of the view, however, that even if we were able to double the number of dentists in Saskatchewan within a single year, we would not be able adequately to cope with this problem.

In support of this contention, Mr. Speaker, I would like to refer the House to an important report recently tabled in the Ontario Legislature by a special committee of inquiry into the fluoridation of municipal water supplies. This was a distinguished committee, and included among its members a Justice of the Supreme Court of Ontario, and the President of the University of Western Ontario. This committee in its report made this pertinent point, and I wish to quote, Mr. Speaker:

“We are convinced that the incidence of dental caries in Ontario is of such magnitude that it must be regarded both as a serious and major health problem, and that adequate treatment of dental caries in the whole population is beyond the resources of the dental profession.”

The committee went on to recommend that Legislation be enacted, empowering municipalities to fluoridate their water supplies. This committee fully recognized, Mr. Speaker, that the presence of fluoride, either in natural form or added to a communal water supply was a safe and



highly effective way to reduce dental decay.

In this province, Mr. Speaker, many urban municipalities have undertaken this important step for the prevention of dental ill-health. Up until the present seventeen urban centres with a total population of almost 164,000 have introduced fluoridation as an effective dental health measure. Other urban municipalities are currently considering this matter. I would urge all urban places in the province with communal water supplies to take action in this matter and not delay in giving our young people protection against the mounting rate of dental diseases.

Last year through the health region, my Department launched a program for the distribution of sodium fluoride tablets for children in rural areas, where communal water supplies do not exist. At present fluoride tablets are being distributed freely to pre-school children in eleven health regions and seven centres in the far north, and valuable protection against dental decay is being built up. In the efforts which have been exerted to control and prevent the major infectious diseases in this province, none have been more determined, nor indeed more effective against this kind of disease, Mr. Speaker.

Another area in which these same kind of efforts have been exerted to control and prevent infection is in our struggle against tuberculosis. I have had the occasion to review the most recent Annual Report of the director of medical services, of the Anti-Tuberculosis League. He reports continued progress, but at the same time he emphasizes that tuberculosis still presents a threat to our population. The fact that 80% of the population had never been exposed to tuberculosis means that an open case constitutes a much greater hazard than it did thirty years ago. Accordingly the preventive program must never be relaxed, and these measures must be directed towards the early discovery of all active cases. I am confident, Mr. Speaker, that the people of Saskatchewan will continue to give their utmost support to a preventative program as they have done in the past.

I wish to pay tribute, Mr. Speaker, to the outstanding and unstinted efforts of the Saskatchewan Anti-Tuberculosis League, and especially its corps of devoted physicians, nurses, and health workers of all

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kinds in the great work to control this disease. Some days ago I called the attention of this House to the occasion of the 50th anniversary of the Anti-Tuberculosis League. I urge all Members to participate in the forthcoming events and to assist in the public acknowledgement of the League and its work for Saskatchewan, over a half century. Because of the gradual decline in tuberculosis over the past ten years, and reduced pressure on the sanatorium, the Government, in collaboration with the Anti-Tuberculosis League, established a joint committee in 1960 to examine the future needs for institutional services. This committee under the chairmanship of Mr. John Knox of Moose Jaw submitted an excellent report. One of the main recommendations of this committee called for the closure of one sanatorium as a T.B. institution, and its return to the Government for possible alternate use. It is now, of course, public knowledge that the Board of Directors of the League reached the decision to close the Prince Albert Sanatorium and transfer their patients to the remaining two sanatoria. It was mutually agreed that the transfer would be arranged by the League and would be completed by June 30th of this year.

After carefully weighing the various alternate uses, Mr. Speaker, which could be made of the Prince Albert Institution, the Government has decided to establish a second training school to supplement the facilities in Moose Jaw. The opening of this second school which may accommodate as many as 350 mentally retarded persons, will relieve a certain amount of the pressure on the waiting list for the Moose Jaw school. However, it should be understood that the waiting list will probably never be completely abolished. I am advised that we have an estimated total of 27,000 retarded persons of various degrees in Saskatchewan, and inevitably the majority will be cared for in their own homes. But it is intended to transfer patients from the Moose Jaw Training School whose condition is such that will not allow an independent living, but who cannot be trained to care for themselves. Priority will be given to families living closer to Prince Albert. For the coming fiscal year a sum of \$475,000 has been included in the estimates from the Department of Public Hpurposes. Prior to September 1960 hospitals' capital costs were financed on the basis of matching provincial and federal grants of \$2,000 per bed. The balance was raised by the local community, and at the same time depreciation payment on that portion financed by the community was included in the Saskatchewan Hospital Services rates for payment.

It became evident, however, that under this system certain weaknesses appeared. For example, depreciation payments were often not properly funded, and were utilized for purposes other than capital retirement. Moreover hospitals in non-tax supported areas or in low assessed areas, often have great difficulty in raising the necessary funds for construction purposes. Accordingly in September of last year the decision was taken to revise the method of financing hospital capital costs. The aim of the Government in designing the new policy was essentially three-fold. First, the policy will provide the financial resource to undertake necessary hospital construction now and in the future. Second, it will provide a means to overcome as far as possible the inequities which previously existed, and therefore, it will permit hospitals to retain a high degree of local autonomy and responsibility.

The Members will recall that the new grant formula was changed from a flat \$2,000 a bed to a percentage of maximum approved costs. For example, base hospitals will receive 70%, regional hospitals 60%, community hospitals 40% of these maximum approved costs less the federal construction grant. As an incentive to control capital costs, the province will share the savings when the costs are less than the maximum approved amount. At the same time, depreciation payments on buildings will be discontinued, but principal payments on the outstanding capital investments of hospitals will be met by the province as they become due. This will enable hospital districts to pass on a measure of tax relief to their respective taxpayers. Current estimates indicate that during the next five years, this new scale of provincial grants will provide an estimated \$11¾ millions, towards the construction required throughout the province. This will be about \$8½ million more than would have been provided under the previous

grant policy, Mr. Speaker. This additional \$8½ million in grant funds over the next five-year period will relieve the local communities of raising approximately

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\$14¾ millions for interest and principal payments over the next twenty years at current interest rates.

These funds, Mr. Speaker, will place the financing of hospital construction much closer, on a pay as you go basis policy, which we all will agree, I am sure, is desirable.

During the next fiscal year \$1,500,000 has been provided in the estimates for the hospital construction grants. It should be noted that the federal construction grants remain at the flat amount of \$2,000 per bed, which represents 20% of the approved costs of community hospitals, 15% of regional hospitals, and only 13% of cost of base hospitals, despite the fact that the more complex regional and base hospitals are more costly to construct. It would seem, therefore, that the most appropriate next step would be for the Federal Government, Mr. Speaker, to increase its contribution toward capital construction. In view of economic trends in the province and elsewhere in Canada as indicated in the budget address, the Hospital Services Plan has been directed to keep expenditures in line with the present economic situation. The hospital rate board has advised hospitals of the necessity of effecting all possible economies in order to keep 1961 expenditures within anticipated income for the year. Consequently all hospitals have been requested to review critically all service and educational programs for the year 1961, and to examine closely all available methods of controlling 1961 expenditures in order to operate within their approved budgets.

Year by year since the inception of the Saskatchewan Hospital Services plan, hospital services and hospital costs, have been expanding, and it is doubtful that the available funds for hospitalization for the year 1961 will permit expansion at the rate previously experienced. The available funds, however, certainly should maintain the present level of hospital services provided throughout the province, and the recent letter to all hospitals should not be considered as a cutback in hospital and health facilities generally. The instruction from the hospital rate board does not infer that hospitals have been wasting money in the past. We consider that hospital administrators should exert special efforts to effect further economies which we believe will permit them to sustain their present level of services within the approved budget for 1961.

I can report to all Members that all of the problems associated with the new capital cost policy and operational costs under the hospital plan are under continuing joint discussion by the Saskatchewan Hospital Association and officers of my Department. We are going through a period, Mr. Speaker, of a fairly rapid change which can have profound effects on our system of general hospitals. A rational system of hospital services must reflect shifts in our population and improved transportation and communications. At the same time we must be able to keep up with scientific and technical advances which modern medical care demands.

You will recall the 1951 report of the health survey committee which included a comprehensive study of our hospital systems. Recognizing the changes that have occurred over the past decade, the health services planning commission recommended that we must undertake a new survey of hospital facilities, and future needs in Saskatchewan. Acting upon this recommendation, I have agreed to the establishment of a new hospital survey committee, which includes representation from the College of Physicians and Surgeons, The Saskatchewan Hospital Association, the Registered Nurses Association, and the Department of Public Health. We expect this committee will complete its survey, and submit its report by September 1st, 1961. This is work of considerable importance to all of us, and we look forward to the recommendations of this committee, as an essential guide, Mr. Speaker, for developments over the next decade.

The purpose of the Advisory Planning Committee on Medical Care is to study and make recommendations to the Government concerning the extent of public need in the various fields of health care, as related to a medical care programme, and the range of specific problems related to the details of such a programme. Under the authority of the Health Services Act, the committee was established on April 1st, 1960, and twelve members have been appointed, representing the general public, the medical profession, the medical school, business, labour, and government. Dr. W.P. Thompson, one of Saskatchewan's most distinguished citizens, was prevailed upon to leave a short period of retirement as President of the University, and take on the heavy responsibility of chairman.

The Government has made quite clear the basic principles which it believes are essential to a medical care

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programme, and has asked that these be considered by the Advisory Planning Committee on Medical Care in its deliberations. It is hoped that the Thompson committee's recommendations, as I remarked last year, "will provide a program which will be effective, efficient and in the best interests of all." In view of the far-reaching implications of the work of the committee for the future health care services in this province, the committee has been given the widest possible scope of inquiry, Mr. Speaker. I understand that the committee has undertaken a broad review of all major health services and insurance programs in the province under both public and private auspices, as well as certain specialized plans in other parts of Canada and the United States. Some forty-five agencies and individuals have submitted their considered views and recommendations to the committee in the form of briefs covering the whole spectrum of health care, facilities, and programs.

As hon. Members know the committee has held a series of hearings to examine and clarify the opinions and recommendations submitted to the committee. The presentation of such a large body of written and verbal submissions to the committee reflects on the part of the health profession, the voluntary health agencies, the insurance plans, and other important agencies of the community, a deep interest in the current arrangements for the provision of health care. Many of the briefs also express a deep concern about the gaps in the present provision of health care. The special needs of persons afflicted with certain chronic diseases, and the failure to achieve a rational and satisfactory system for financing medical care for all citizens of Saskatchewan.

As a part of its studies, the committee has decided to investigate programs of personal health services in several foreign countries, including Great Britain, Norway, Sweden, Denmark, Holland, Australia and New Zealand. The two study teams now on tour, are made up of both medical and lay members of the committee. I might point out, Mr. Speaker, that health care schemes in the countries being visited differ in their underlying concepts, the scope of benefits, provisions, arrangement with the medical and other health professions, and methods of organization and administration. While these programs reflect, of course, the social and professional traditions of each particular country, they incorporate many features which deserve serious study, as to their application to

the Saskatchewan setting, Equally important, these study tours will place the committee as a whole in a better position to examine and assess our own health concepts. Moreover, they will be better able to appreciate the changing expectations of our own physicians with regard to the scope, adequacy, and quality of the health services. The committee should be aware of these changes so that they will be able to suggest forms of organization and financing of health care, which take them into account.

Indeed, Mr. Speaker, the hon. Premier stated in his speech before the annual meeting of the Edmonton Academy of Medicine, on December 8th, 1960, and I quote:

“The solution of the financial problem of the individual or family does not of itself ensure a high quality of care. If we apply ourselves only to a transfer of payments from the individual to the group, we will have done little to advance the cause of medicine. We need to re-think our scale of values in providing medical care.”

In this context, I might add Mr. Speaker, that this Government has been most interested to learn of the Federal Government's decision to set up a Royal Commission on the subject of health care. It is to be noted that this decision followed a request from the Canadian Medical Association which had urged the Federal Government to assess the health needs and resources of Canada with a view to recommending methods of ensuring the highest standards of health care for Canadians. This statement from the Canadian Medical Association emphasizes the need to examine the whole question of developing some form of health plan based on the highest possible quality of services, and substantially supports our Government's position in this matter. Indeed the appointment of the Royal Commission will assist all Provincial Governments in accelerating their present planning to implement comprehensive medical care.

Saskatchewan has a long history of leadership in the development of comprehensive health programs, at both local and provincial levels. Such examples as the Swift Current Medical Care Program and the Municipal Doctor Program, the Anti-Tuberculosis League, the cancer and mental health care – all these come to mind, Mr. Speaker. Saskatchewan has led the country by some eleven

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years in the implementation of hospital insurance, and this announcement from Ottawa, again emphasizes the vision and foresight of the people and the Government of the province in recognizing the need to provide a suitable system of medical care at the earliest possible moment.

**Government Members:** — Hear! Hear!

**Hon. Mr. Erb:** — Should the work of the proposed federal Royal Commission lead to recommendations involving federal participation in a medical care plan, I have no doubt whatever, that arrangements can be made between the Province of Saskatchewan, and the Federal Government to share in the costs of such a program.

The provinces' constitutional responsibilities in the field of health would require joint federal-provincial co-operation in the development of a national plan. I hope that the Federal Government will, as in the case of hospital insurance, be able to learn much from the experience of Saskatchewan. The Government and the people of Saskatchewan will be most anxious to offer their fullest co-operation to the Royal Commission, Mr. Speaker. I would say, however, that it is to be hoped that the terms of reference of the committee, which I have not yet seen, will provide clear and specific instructions as to the goals and major purposes of their study. It would be unfortunate, Mr. Speaker, if the commission were directed in such a way as to leave any doubt in the minds of Canadians concerning its essential functions. Indeed, it would be difficult to justify to the people of Canada, any nation-wide examination of health services, which was not specifically directed towards the introduction of a comprehensive program of health insurance. Perhaps, nowhere in the world, with the exception of the United States, has a country collected so much medical, social, economic information concerning its health problems, Mr. Speaker. Surely, what is required, is not still a further survey of these problems, stretching over many years. There would be no justification for introducing the traditional device of a Royal Commission to forestall action here. What we must surely expect is a determined effort by all parties concerned to extend our present forms of health insurance. Such an extension should place major emphasis on a more efficient use and improvement of our medical



resources, and a much better distribution of these resources, and on devising a system of spreading the costs of modern health care more equitably over the total population. The people of Canada deserve nothing less than this, Mr. Speaker.

In closing my remarks on medical care, I would add, Mr. Speaker, that this Government looks forward to receiving the advice and recommendations of the Thompson committee to guide us in proceeding with our announced intention to introduce a universal, comprehensive medical care plan. Having due regard to the wide nature of the committee's investigation, and the many problems inherent in the organization in a program of medical services, the Government and the people of this province hope the committee will submit their recommendations as expeditiously as possible. We are indebted to the individual members of the committee for the heavy responsibility they have undertaken on our behalf. It is recognized that difficulties may be encountered in reconciling different points of view, but these problems, I suggest, can be surmounted if approached by all members of the committee with a high sense of public purpose, and a desire to achieve for our people improved health services, comprehensive in scope, universal in application, and of high scientific quality. The necessary ways and means must not be partial or palliative. They must be adopted to our rapidly changing society and the expectations of our citizens. They must support and improve the present level of medical services. If such measures can be devised, they will deserve the respect and creative participation and support of the medical and allied professions, and the people whom they serve. Now Mr. Speaker, it is not my intention to comment on the criticisms of the budget offered by my friends in the Opposition. My colleagues on this side of the House have already answered eloquently and most effectively the charges, assumptions, and misrepresentations made by my friends opposite, and if in these answers, they were not able to make a dent on them, Mr. Speaker, no words of mine now, could possibly penetrate beyond the epidermis of their comprehension.

Because this budget, Mr. Speaker, like the budgets in the past, has placed human value above the material, and although there is a small deficit in this budget, Mr. Speaker, which has in no way destroyed the perspective with which this Government is identified, I shall be glad to vote against the amendment. I shall support the motion.

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**Premier T.C. Douglas:** — Mr. Speaker, in common with all Members of the House, I would like to extend a welcome to the students who are here today, and to say how pleased we are to have them with us. I want to issue a word of special welcome to the students who are here from the Assiniboia Reserve, because a number of years ago their elders did me the great honour of making me one of their honorary chiefs. They gave me the title, Wamni Nuta which I believe is interpreted as Red Eagle. The colour was right; I'm not sure they got the right bird.

Mr. Speaker, I should like, along with others, to extend my congratulations to the Provincial Treasurer on the very magnificent budget which he has placed before this Legislature. That budget has not only demonstrated his financial competence, but what to me is far more important, it has demonstrated the deep understanding of the fundamental principles of this Government, which he has brought, in financial terms, to the attention of this Legislature.

This budget, along with preceding budgets, has emphasized two main points: In the first place, a major emphasis has been placed upon promoting human well-being, and the enrichment of human life. In times of financial stringency this budget has kept in mind that any financial curtailment ought not to interfere with the education of the young, with the care of the unfortunate, or the looking after of the sick. That is why in this budget 57¢ out of every dollar will be going to education, health, and welfare, because the human factor must still, and always, be the first consideration of this Government. The second thing which is emphasized is that we recognize that economic growth is necessary in order to support an expanded health, welfare, and educational program. We've always said in this province that we cannot lift ourselves just by pulling at our own boot straps, that we must base our welfare program on a sound and expanding economy. That is why great emphasis is being placed upon the development of power, and gas, and transportation, and upon industrial development, and on those things that will give us an economic foundation for the type of society we're seeking to build.

This type of philosophy has paid off over the past sixteen years. The fact is that whereas in Canada the gross national product last year increased by only 2½%, in

this province the net value of commodity and production increased by 15%, and personal income increased last year by 14% over the previous year.

Some criticism has been levelled by Members opposite at the previous Provincial Treasurer, because he anticipated a greater economic growth than took place in Canada. I want to point out, Mr. Speaker, that the best economists and the best financiers in Canada one year ago were estimating the growth of the gross national product at 6%. The fact that it was only 2½%, and that at least 1½ percentage points of that was a change in price, can hardly be blamed upon the economists hired by the Saskatchewan Government. They cannot be prophets. All they can do is to project trends. That these trends did not materialize is something which has affected the whole country. The trends as forecast now are that this economic recession in which Canada finds itself will probably continue throughout this year with indication that there will be an upturn at the latter part of the year.

The first point I want to make, Mr. Speaker, is that the fact we are able to maintain and even expand essential services in the face of financial stringency is a tribute to the financial policies which this Government has pursued during the past sixteen years.

I remember the financial critic in 1948 (it's in the records) making a statement. He said this Government has built up a standard of education, health, and welfare, that our economy cannot sustain if we reach a period of economic recession. The fact is, Mr. Speaker, that in a period of economic recession we are not only able to maintain the standards as the budget shows, we are substantially increasing them.

Therefore, just let me review what policy the Government has followed over the past few years. The Member for Moosomin, the financial critic for the Opposition, said, "There was \$7,000,000 in the treasury when the CCF took office." I assumed, therefore he's referring to the cash balance. As all hon. Members know, of course, the cash balance varies from day to day, and week to week. If you pick a particular day when car licenses are coming, or some other particular revenue, such as the end of the quarter, when the education and hospital tax receipts are coming in, the

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cash balance will be high. Two or three months later, or two or three weeks later, it may be low. I don't know where my hon. friend got his information about the \$7,000,000, but the Public Accounts show that on April 30th, 1944, there was a cash balance of \$10,797,000. If this was down to \$7,000,000 by July the previous Government, in addition to spending the revenues that came in, must have spent a million dollars a month. They must have had a happy time for the last three months when they were in office.

The important thing is that the budget presented by the last Liberal Treasurer in this province, budgeted for a surplus of only \$168,000 in the year 1944-1945. But that's only a small part of the story. It is not a matter of whether there was \$7,000,000 in the cash balance. One has to look at the unpaid debts that were left for this Government to assume. Mr. Patterson, who was the Provincial Treasurer at that time, in his budget on February 29, 1944, said: "During the current year, the province has maturities of \$16,839,000 falling due, but of this amount \$3,263,000 is held in sinking funds and trust accounts." In other words, Mr. Speaker, there was \$13½ million of maturities coming due that year, for which there were no funds available.

In addition to this, there was \$16,000,000 on seed grain advances for 1938. The Liberal Finance Minister at Ottawa, who had accepted treasury bills from the previous Government for the 1936 and 1937 seed grain advances, refused to accept our treasury bills and insisted on a payment in cash by January, 1945. He even went so far as to hold up payments due to the province under the war-time tax agreement.

When the financial critic of the Opposition speaks about our having \$7 million in the treasury, he might also have made mention of the \$30 million of unpaid debts that were coming due in that fiscal year.

Even more serious, Mr. Speaker, was the \$2.8 million gross debt, which amounted to \$260 per capita. Of this amount only \$51 million was for some liquidating projects, such as the loans to the Wheat Pool, and to the Co-op Creamery, and to the Power Commission, and so on.

But, there was a dead weight debt for which

nothing has been set aside, of \$167 million. How was it made up? It was made up of some \$33 million that had been borrowed to build highways, \$23 million that had been borrowed for public buildings, the accumulated deficits over a period of years that had been funded amounted to \$18 million, other capital expenditures for the Cancer Commission, and experimental work on lignite coal had been capitalized at \$5 million, and there were relief debts amounted to \$88 million. The hon. Members will see on page 48 of the speech of the Provincial Treasurer that this \$167 million of dead weight debt has now been reduced to some \$53 million. In other words, \$114 million of this dead weight debt has been removed.

**Opposition Member:** — Who removed it?

**Premier Douglas:** — The financial critic of the Opposition said, “What the Government should have been doing over the years was to take the liquor profits and use them, either to pay debts or for capital purposes.” Mr. Speaker, I wonder where the Member for Moosomin has been the last twelve years that he’s been a Member of this House, because this is precisely what we’ve been doing. He says that the amount of the liquor profits during this period of time under discussion was \$163 million. All right, let us now look at the capital expenditures which have been financed out of ordinary revenue: highway construction, \$108 million; public buildings, \$60 million; agricultural development projects, \$14 million; natural resources, roads, air fields, water control, parks, \$5 million; and housing projects, the Metis rehabilitation farms, and so on, \$2 million. One-hundred and eighty-nine million worth of capital projects, in the past sixteen years, have been financed out of revenues. When you add to that the \$114 million of dead weight debt which has been removed, this is \$303 million, which far exceeds, by some \$140 million, the \$163 million, which has come in in the form of liquor profits.

Mr. Speaker, this does not include our grants to local governments for capital purposes such as grid roads, hospital construction, school construction, or grants to towns and villages for sewer and water, or farm water and sewer installations. These have all been paid out of current revenue, and I haven’t taken them into the figures which I have just quoted.

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Mr. Speaker, since 1944, the Government has followed a pay as you go policy, under which highway construction, public buildings, court houses, university buildings, the School for the Mentally Retarded, the Technical Institute, all of these have been paid out of the current revenue, in addition to removing the \$114 million, worth of dead weight debt to which I've already referred. The best proof, Mr. Speaker, that this pay as you go policy, in dealing with projects of this kind, has been sound financially, is the fact that while from 1932-1945, Saskatchewan had not been able to borrow a single dollar on the open market, while today this province is able to go on the open market and borrow very large sums of money for self-liquidating projects, and to do it at interest rates which are comparable and in many cases better, than those which are available to other provinces.

Some mention has been made of a conversation, which the radio or the newspapers had with the previous Provincial Treasurer, in which he said that if we had followed the budget system of some other provinces, there wouldn't be a deficit. As a matter of fact, Mr. Speaker, this is absolutely true. If we did what some other provinces do, and Ontario is the best example, and we capitalized highway construction expenditures and public buildings instead of paying it out of revenue on a pay as you go basis, and took liquor profits into revenue, then we would have a surplus of \$16,790,000. If we took the liquor profits and applied them on the capital expenditures, we would still have a surplus of \$2,790,000. But we preferred not to do that. We preferred, insofar as it is possible, to continue a program of pay as you go, so that when we build highways, and public buildings, and other institutions, we pay for it out of current revenue. This way it's paid for now instead of paying interest over a period of twenty years, and leaving a debt for posterity.

One of the things which has emerged from this budget debate is the fact that the Liberal Party has now gone squarely on record as being opposed to the public ownership of power and gas, in this province. They seek to get around this, by saying, "Oh, we're not against it, but we don't want you to borrow any money for it." The financial critic spent most of his time talking about the great millstone of debt that we were hanging around the necks of generations yet unborn. The Minister for Education tried to point out in a simple analogy that you

had to borrow if you're going to expand your economy. He said if I've \$3,000 and want to build a \$10,000 house, that I have no choice but to borrow \$7,000, take a mortgage on the house, and get the house, and then pay off the mortgage. But the Member for Pelly said, "No, that's not the way to do it. If you've got \$3,000, then you build a \$3,000 house, and you live within your means." Now, Mr. Speaker, I ask the people of this province to stop and consider, how you would have brought power to 58,000 farmers, and to every town and village in the province, and how we would have built two large \$40 million power generating stations, if you were only going to spend the money as it came in, and were not going to borrow.

The Leader of the Opposition sort of let the cat out of the bag when the Minister of Education was speaking. He said, "My complaint is you won't let the private utilities come in."

**Mr. Thatcher:** — I said you wouldn't let National Light . . .

**Premier Douglas:** — As a matter of fact, Mr. Speaker, he made another comment in the Public Accounts Committee. He said, our complaint is that you won't let the power and gas utilities come into the province.

Mr. Speaker, that is what we did prior to 1944. We let the private utilities come in. There were five or six of them in operation in this province when this Government took office. What was the situation?

**Mr. Thatcher:** — There was a war on.

**Premier Douglas:** — The situation was that we had little patchwork quilts all over: one company generating and selling power to one area; another company to another area. We had the most costly power in Canada. In my own Constituency there were places where they were paying 25¢ a kilowatt hour for partial service, and many of the villages had no power at all. Of course, farmers had no power at all. The objection of the gentlemen opposite has been, as the Leader of the Opposition just indicated, that we shouldn't have taken National Light and Power into the power system.

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Surely, Members now know that unless you can build a province-wide integrated power system, you're always going to have expensive power. Small companies put up power plants that were inefficient because they were small. They did this rather than draw their power from large plants that can produce power cheaply. Small individual operations, must keep at least 25% of their capacity as stand-by power. When you have an integrated system, you can move that surplus power to any area which has a breakdown, thereby reducing the amount of stand-by power which must be maintained; thereby reducing your overhead; thereby making cheaper power available.

**Mr. Thatcher:** — You doubled the rates when you . . .

**Premier Douglas:** — Mr. Speaker, the Leader of the Opposition, keeps wanting to return to the Liberal policies and the Liberal policy of public ownership is simply this.

**Mr. Thatcher:** — . . . give cheaper rates, you gave . . .

**Premier Douglas:** — The Liberal policy is well known. Their policy is public financing of private ownership. The people of Canada under a Liberal Government put up all the money for a pipeline, but the ownership, and operation, and the profits from the pipeline stays in the hands of private enterprise.

**Mr. Speaker:** — The hon. Premier has the floor, and these interruptions are entirely out of order.

**Premier Douglas:** — Mr. Speaker, I'll get around to them in just a few moments. The Leader of the Opposition, keeps wanting to interrupt me. It is rather significant, Mr. Speaker, that he's interrupted almost every person who has spoken on this side of the House; particularly when the radio is on. After the radio is off, he subsides into silence, or leaves the Chamber. But when the radio is on, he doesn't just ask questions, he wants to get up and argue and contradict. Mr. Speaker, this debate has been going on for nearly two weeks. This budget was introduced a week ago last Monday, and if the Leader of the Opposition wanted to contradict, he had plenty of



chance to get into this debate, and put his views before this Legislature, and before the people of the province. He hasn't done that. As a matter of fact I expected he'd be up giving his famous speech on the Crown Corporations. You know the one – nine down and two to go. But, we haven't heard a word from him. He's been as silent as a clam and as dumb as an oyster – not a word – not a word. Why? Because, Mr. Speaker, he knows perfectly well that the kind of misinformation he peddled up and down the country wouldn't stand up under the scrutiny of public debate in this Chamber.

**Government Members:** — Hear! Hear!

**Premier Douglas:** — What my hon. friend prefers to do is to give his criticisms to the press. He thinks this is much better. The press is very friendly and sympathetic to his Party, and so his criticisms appear on the front page. Any denials or contradictions, of course, get lost in the classified ads. Then the editor of the paper picks up his statement and quotes it again in an editorial, and then on another day quotes it again, until it becomes commonly accepted as being a fact.

I'll give you an example, Mr. Speaker. In the "Leader-Post" of January 31st, an article appears saying "Thatcher forecasts Trouble."

"A warning that the Saskatchewan Government is headed for troubled financial waters was delivered Tuesday by Liberal Leader Ross Thatcher. The Liberal Leader said he is not so much concerned with the prospect of a small deficit this year as with the Government's commitments for the future. He thought that the South Saskatchewan River Dam would cost the province an average of \$10 million a year, and the Squaw Rapids project would cost about half that a year, over a number of years. The province will also be faced with a heavy expenditure with the medical care, and the crop insurance programs that are underway. He was particularly concerned with the province's venture into crop insurance which, he said, had nearly bankrupted the State of Montana."

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Let's look at these fears which are expressed, about our future commitments. Let me deal with them. First, the South Saskatchewan Dam. He said it will cost an average of \$10 million a year. What are the facts? All hon. Members who have read the agreement between the Dominion of Canada and the Province of Saskatchewan will know that the Province of Saskatchewan is committed to pay 25% of the cost of the main reservoir up to a maximum of \$100 million. The estimate is that it will cost \$96 million, and so far the estimates have been accurate. But even if it's \$100 million, we're liable for \$25 million, payable over the construction period, half of it payable in cash, and half of it payable in treasury bills. Assuming it takes eight years to complete the project, this is something over \$3 million a year, \$1½ million in cash and \$1½ million in treasury bills. Where is this \$10 million a year?

Mr. Speaker, I'd also like to know, since when did the Leader of the Opposition begin to throw cold water on the construction of the South Saskatchewan Dam. He got elected in 1945 because he accused Mr. Gordon Ross, the Liberal Member for Moose Jaw, and the Rt. Hon. James G. Gardiner for not having proceeded with the South Saskatchewan Dam. He got re-elected in a couple more elections, by standing up, (and I have the clipping here), and saying on the public platform "that failure of Mr. Gardiner to proceed with the South Saskatchewan Dam is a national tragedy, and a national disgrace." He sat with the St. Laurent Government, and it will be recalled that Mr. St. Laurent said in the House of Commons, and said here in the Exhibition Auditorium in Regina that his Government would not proceed with the South Saskatchewan Dam, because he was not convinced that the benefits merited the expenditure.

The Liberal Government left office absolutely refusing to proceed with the South Saskatchewan Dam. We managed to get an agreement with the present Government at Ottawa. It wasn't as generous as we had hoped, nor as we would have wanted, but at least it has started the construction of the South Saskatchewan Dam which today is on schedule, and which, in my opinion, will be the greatest project in terms of benefit to the people of this province, that has ever been undertaken in our history.

**Government Members: — Hear! Hear!**

**Premier Douglas:** — The Leader of the Opposition questions the expenditures which are going to be made in this regard. Then he said with reference to crop insurance that “he was concerned about the province’s venture into crop insurance, which nearly bankrupted the State of Montana.”

Well, first of all, I would like to ask if the Liberal Party are opposed to crop insurance. Year after year, Members in the Opposition have been saying, “When are you going to get on with crop insurance?” – “What about the recommendation of the Royal Commission on Agriculture and Rural Life?” – “Why aren’t you going on with crop insurance?” Now the Leader of the Opposition says he’s concerned about our venture into crop insurance. Let’s look at his statement that it nearly bankrupted the State of Montana. You know, Mr. Speaker, it is very easy to get a young newspaper man in the office, and toss off the phrase “Why this nearly bankrupted the State of Montana?”. Of course, the young fellow accepts this statement. He doesn’t look into it. The public accepts it, because they take it for granted the Leader of the Opposition knows what he’s talking about. What are the facts? The fact is that there’s no record available of any state-operated crop insurance plan in the State of Montana. As a matter of fact, I don’t wonder that the Leader of the Opposition wants a research director – boy does he need it!

There was a crop insurance plan set up by the United States Federal Government, but the State of Montana didn’t put a single dollar into it, Mr. Speaker. This is the program that bankrupted the State of Montana. Even the federal plan, in the State of Montana, in the period from 1948 to 1957, left a surplus of \$8.3 million. They cut the rates from 16% to 8%, and during the period their premium income was \$21 million, and their payment out was only \$10 million. If the Leader of the Opposition wants to talk about the dangers of crop insurance, at least he ought to get all his facts straight.

Mr. Speaker, I have no hesitation in saying that there are inherent risks in crop insurance, and we all said that very frankly last year when crop insurance legislation was being introduced. That is why we have excluded from the operation of the plan areas where the premium rate on an actuarial basis will have to exceed 15%. It is also why we have asked, repeatedly (I think

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the Legislature supported us in this) the Federal Government to assist in reassurance for any disaster year.

Mr. Speaker, the fact that there are some dangers in crop insurance, certainly does not justify the kind of statement which was made by the Leader of the Opposition. He makes this kind of statement, I suppose, in the hope that people don't know better. I noticed last night, when the Minister of Mineral Resources was saying that resource revenue is down all across Canada for all the Governments, the Leader of the Opposition said "it isn't down in Alberta." What are the facts? Alberta brought its budget down a week ago today, and the revenue from resources is down \$24 million. It is true that it's down in this province \$4 million. I would have thought that the financial critic of the Opposition would at least have read the Alberta budget, to know what's going on.

**Mr. McDonald:** — . . . \$400,000,000 . . .

**Premier Douglas:** — Alberta's resource revenues are down \$24 million, and they are budgeting for a deficit of some \$13¼ million in the Province of Alberta.

I am not saying that anybody is to blame that the revenue has gone down \$24 million. As the Minister of Finance in that province points out, this is because of a lack of oil markets, and because they haven't discovered any new fields this year. This is understandable. All I object to, is a Member making the statement "of course it didn't go down" when he ought to know that they went down this last year by some \$24 million.

The third thing which the Leader of the Opposition said caused him great concern about our future commitments was the medical care plan. Well, Mr. Speaker, it is very difficult for me to know where the Opposition stand on the question, of a medical care plan.

**Mr. Speaker:** — Pardon me, you said the Leader of the Opposition, and I don't believe the Leader of the Opposition has spoken.

**Premier Douglas:** — I was referring to the Leader of the Opposition's statement, Mr. Speaker, that appears in the Leader Post of January 31st,

of this year, in which he said there were three things that gave him concern, the future commitments the Government had made on the South Saskatchewan Dam, which they had made on crop insurance, and which they were making on a medical care plan.

What is the stand of the party opposite on this medical care plan? The Leader of the Opposition, outside the House, said he's gravely concerned about the financial implications. In a previous debate in this House, he urged the Government, the Leader of the Opposition pleaded with the Government to postpone the medical care plan.

**Mr. Thatcher:** — A point of order, Mr. Speaker.

**Premier Douglas:** — Mr. Speaker, that's no point of order.

**Mr. Speaker:** — Order! I don't think the reference is to a former debate.

**Premier Douglas:** — Mr. Speaker, I can make reference to a former debate providing I don't quote from the Hansard on it.

**Mr. McDonald:** — On a point of order, neither the Premier nor anyone else can refer to something that is said in a previous debate.

**Mr. Speaker:** — I think that is the ruling.

**Premier Douglas:** — Mr. Speaker, I will leave it to the judgement of the House, as to whether or not the gentleman opposite, didn't plead with the Government, not to proceed with a medical care plan.

**Mr. Speaker:** — Order!

**Premier Douglas:** — If he wants to deny it, let him stand up and do so.

**Mr. Thatcher:** — I deny it, I'd never plead with you to do anything.

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**Premier Douglas:** — Mr. Speaker, there is no use of weaseling out of it. These people on one hand say to us, you shouldn't proceed with the medical care plan because of the financial implications, because we're in economic recession, and because there's a Royal Commission being set up at Ottawa. Then the Member for Pelly and the Member for Humboldt stand up and say, "Why aren't you getting on with the medical care plan, what's holding it up?" Here is an army in which the leader is saying let's go back, and the ranks are saying let's go forward. Well no wonder they're in one unholy mess.

The Member for Humboldt wanted to know why it is that we had given these terms of reference to an Advisory Committee on Medical Care. Well, Mr. Speaker, can you imagine what would have happened if we had brought a Bill in without consulting with the medical profession and the other people concerned? We would have been accused of ramming a program down their throats. I want to make it abundantly clear in answer to the questions asked by the Member for Pelly and the Member for Humboldt, that there has been no change whatsoever, insofar as the Government is concerned, with reference to the target dates for the medical care plan.

**Government Members:** — Hear! Hear!

**Premier Douglas:** — In the last Session it is true we said we would bring down enabling Legislation. On second thought we decided that if we brought down enabling Legislation, some of the Members might criticize it — first, on the grounds that we weren't consulting the medical profession, and giving the medical care committee time to report — and second, that they had a right to know the details of a plan, and I agree with them. Therefore, as I announced in the Legislature last Session, we proposed not to bring in enabling Legislation, but to wait until the Advisory Committee on Medical Care had made its report. I said last year in this House, and I said it on the public platforms throughout the election campaign, that the target date we had set ourselves to receive this report and to bring in the necessary Legislation was 1961, and to have the plan in operation in 1962. Mr. Speaker, those target dates still stand. I wish the Liberal Party would be honest enough to tell the people where they stand on it. I noticed when the Minister of Education was speaking and said that they were opposed to

the Medical Care Plan, some of them said no, and the Leader of the Opposition said, as I took it down, "We are opposed to the socialist medical plan." Well, whatever he chooses to call it, the people of this province are in favour of a medical care plan. Liberal speakers including the Leader of the Opposition, have been going up and down the length and breadth of this province saying only 41.3% of the people voted for the CCF last June . . .

**Mr. Thatcher:** — Less than that after Turtleford.

**Premier Douglas:** — . . . therefore, 59% of the people voted against the medical care program and the Government shouldn't proceed with it. On the basis of that argument, Mr. Speaker, if the 59% of the people who voted Liberal, Conservative, and Social Credit, are to be represented as 59% of the people voting against medical care, then the Liberal Party is now construing itself as having voted against medical care in last June's election.

I was interested also in seeing the new position being taken by the Party opposite on welfare programs. We are already used to the position taken by the Leader of the Opposition, when he was a Member of Parliament. He was the only man in the House to stand up and oppose old age security pensions at seventy years of age without a means test, and family allowances without a means test. It was left for the Member for Rosthern to finally put the cap on it the other day, when he stood up in this House and said, "Boy, in this province, social aid is a free gate. — social aid is given to all the people who ask for it." He said, that it should be like going to the bank and borrowing money. You should sign a note. Is the Liberal Party now on record as saying we must return to the thirties when people signed notes for relief? Millions of dollars of relief notes that they were never able to pay hung over their heads like the sword of Damocles. Is this the Liberal Party's program?

**Mr. Thatcher:** — We'll let you know . . .

**Premier Douglas:** — Of course, they'll let us know, Mr. Speaker. The only time the people of this province will know is if these gentlemen

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ever get in power, and then they'll know.

**Mr. Thatcher:** — That won't be long.

**Premier Douglas:** — Mr. Speaker, before I leave the matter of the medical care question, may I just correct the Member for Arm River who made the statement, and I'm sure he wasn't conscious of the fact, although I asked him twice to enunciate it, that there were no farmers on this Advisory Committee on Medical Care. I want to point out, Mr. Speaker, the committee is made up, as the Minister of Health has already said, of three representatives from the medical profession, one from the College of Medicine. There are two farmers on it.

**Mr. Thatcher:** — Six from the CCF Party.

**Premier Douglas:** — Mrs. Beatrice Trew, representing the women's organization, President of the Women's Branch, of the Farmer's Union, and Mr. Clifford Whiting. There is one representative from labour, and one representative from the business interests of the province, and three representatives from the Government.

Well, Mr. Speaker, I am quite used to the Member for Arm River. He has proven conclusively, of course, that he wouldn't know a farmer if he met him in broad daylight.

Mr. Speaker, may I just deal with two other things before I sit down? May I make reference to the amendment which has been moved? It is amazing that the Members opposite have moved an amendment in which they are complaining about the excessive administration costs, and the heavily increased taxes and exactions. Yet, there wasn't a single one of them, with possibly one or two exceptions, (but I think almost everyone that I noted) got up and said to the Government, "Don't forget some more roads in my Constituency – I've got some places where I'd like to get natural gas." I listened to the Member for Athabasca yesterday, and took down the things he wanted us to do in his Constituency. I was sure that he was not only going to vote against the amendment, but that he was going to move another amendment, asking the Government to spend more money than it proposes to spend. Almost every one of them was the same, including the financial critic of the Opposition. After he had finished deploring this great mountain of debt for public



utilities, he said, "Now don't forget there are a couple of places on the main line that still haven't got gas. You put gas into the rest of them, but be sure and put it into these two places this year. Spend more money, but don't raise the taxes. Carry on more programs but don't have as much administration."

**Mr. Thatcher:** — . . . some suggestions in Public Accounts.

**Premier Douglas:** — Mr. Speaker, what are the facts? In 1943-44, the last year in which a Liberal Government was administering a budget . . .

**Mr. Thatcher:** — Oh let's get up to date . . .

**Premier Douglas:** — . . . the taxes paid by people directly to the Provincial Government were some \$14 million. On the basis of personal income for that year, which was \$423 million, the tax burden represented 3.3% of total personal income in the province. If you take the amount of money in this budget and leave out hospitalization, which was not provided for in their program, you get a figure of \$43 million compared to \$14 million. On the basis of our personal income this last year, which was \$1,350 million, the burden now represents 3.2% on personal income as compared to 3.3% on personal income the year before we took office. This is not a growing burden, Mr. Speaker, this is one-tenth of 1% less of a tax burden in relation to personal income, than you had sixteen years ago.

I want to point out that the gentlemen opposite seem to live in an ivory tower, they don't seem to be aware of the fact that every Provincial Government in Canada, must discharge the responsibilities which the constitution has placed upon it. The failure of the Federal Government to make more money available to the provinces and municipalities out of the three tax deals we occupy jointly doesn't help. The Federal Government keeps about 80% of the tax revenue and gives the provinces and municipalities only 20%. Almost every province has been compelled to increase their taxes. The Province of Newfoundland, which has a Liberal Government, has a gasoline tax of 19¢, a diesel tax of 19¢, and a sales tax of 5%. Prince Edward Island, has a 16¢ gasoline tax and diesel tax, and a 4% sales tax, plus a special tax on tobacco and liquor. Nova Scotia, has a 19¢ gasoline tax and the same for diesel

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tax, and a 5% sales tax. New Brunswick just came down with a budget providing for an 18¢ gasoline tax, a 23¢ diesel tax, and a 3% sales tax, plus a special tax on tobacco. The Province of Quebec, has a 13¢ gasoline tax, a 13¢ tax on diesel fuel, and a sales tax varying from 2% to 5%, plus a special tax on tobacco. The Province of Ontario, has just announced a 13¢ gasoline tax, a 13½¢ diesel tax, and a 3% retail tax, which it is estimated will bring them in \$150 million. The Province of Manitoba so far has only an 11¢ gasoline and diesel tax, but I think the common expectation is that Manitoba's revenues are going to compel the Government at this Session to raise their gasoline tax. Saskatchewan has a 14¢ gasoline tax, a 17¢ diesel tax, and a 3% retail tax. The Province of Alberta, has a 12¢ gasoline tax, and a 14¢ diesel tax. The Province of British Columbia, one of the wealthiest provinces in Canada, has a 13¢ gasoline tax, a 15¢ diesel tax, and a 5% sales tax.

I contend, Mr. Speaker, that in the light of the services which are being given to the people of this province, the tax burden is not onerous, having due regard to the responsibilities which we have, and to the limited fields of taxation which we enjoy.

I'll say just one other thing, before I sit down, Mr. Speaker. I wanted to say just a word to the Member for Humboldt. I always find this very difficult because she is such a charming person. I always lose all my capacity to argue with her, but it seems to me that she is somewhat inconsistent. She always has a great capacity for adopting in the House, insofar as the Government is concerned, a holier-than-thou attitude, and she chides me with making some jocular remark about the virility of the New Party which I made, by the way, not for publication, but to a group of individuals. Some press man may have heard it second hand. She felt no inconsistency a few minutes later in making some remark about someone's statement regarding a red light. She chides me with being very immoderate in my statements about the Leader of the Opposition, but she has no pricks of conscience a few minutes later about talking about the Government programs being immoral, and despicable, and contemptible, that socialism is rotten, and that all of us on this of the House are materialists, and socialists. It seems to me that this is a bit inconsistent,

and I would suggest that since she's very fond of parables, that she might read the other parable about the Pharisee and the lowly publican. Remember the Pharisee's statement "Lord, I thank thee that I am not as other men, even as this poor publican."

The Member for Humboldt regaled us with a story of the Prodigal Son, and I don't usually like to get into discussion about scripture on the floor of the Legislature, but I have been pondering for some days as to just what the key is in this parable of the Prodigal Son. Most of the Members will remember the story. It is one of the great, immortal stories of Holy literature. It is the story of a man, who had two sons. The younger said to his father, "Father give me the inheritance that falls due to me." He took his inheritance and he went into a far country and there he wasted his substance in riotous living, and with certain undesirable companions. I am not sure what period in life of the Leader of the Opposition this applies to. I take it for granted this is the twelve years he spent as a CCF Member of Parliament, representing the Constituency of Moose Jaw-Lake Centre. I don't suppose that the people of that Constituency will take particularly kindly to considering that his sojourn with them constituted riotous living.

Then you remember when the young man had wasted all his substance in frivolity, he finally wound up as a swine herder, feeding the pigs and living in the pigsty. I wasn't sure what period this was; I could only conclude that it had reference to the period when he supported the St. Laurent Government in Ottawa. Then the story said, that finally the young man came to himself. He decided he was broke, and that he had wasted all his father's money. He thought that he had better see if he couldn't better his condition. So he decided to go back. When he was still a long way off, his father saw him and ran to him, and fell on his neck and kissed him. I wasn't sure whether this was the Liberal Party, or the Member for Humboldt. But, whichever it was, it is quite a burden to have on your neck . . .

**Mrs. Batten:** — You'll never have to worry about that.

**Premier Douglas:** — Then the father, you'll remember, put a new cloak

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on his shoulders and put a gold ring on his finger. I thought maybe this had to do with the wealth people in Regina who put up \$50,000 to the Liberal Party, providing they accepted him as their Leader. Then the father was so happy that he said, "Let us kill the fatted calf, and eat, drink, and be merry." I wasn't just sure who the fatted calf was. Maybe it was the Member for Maple Creek, or the Member for Melville. All we know is that the fatted calf was killed and a good time was had by all.

All I would like to say to the Member for Humboldt is that it will take more than a parable out of the Holy Writ to explain the political somersaults of the daring young man on the flying trapeze.

I want to say, Mr. Speaker, that this budget represents in dollar terms the basic philosophy of the CCF movement for improving the welfare of people, for the education of our young, for the carrying out of our programs, and for the economic growth of this province. A good deal has been said in this debate about socialism, and the Member for Saltcoats, and the Member for Humboldt have both referred to us on this side of the House as being materialistic socialists and Marxian socialists. Of course, Mr. Speaker, anyone who is fair knows that that statement is not true. The group with which I am honoured to be associated repudiated Marxian socialism a long time ago. If you will take the trouble to read the Regina Manifesto you will see that the Regina Manifesto, which was issued in this city in 1933 stated very clearly that we sought to build a co-operative commonwealth by means of the ballot. It says that the new order at which we aim is not one in which individuality will be crushed out by a system of regimentation. It says the social and economic transformation can be brought about by political action, through the election of a Government inspired by the ideal of a co-operative commonwealth and supported by the majority of the people.

**Government Members:** Hear! Hear!

**Premier Douglas:** — Mr. Speaker, I want to say that on this side of the House we have as much regard for things spiritual, and

for the things of the mind, and for the democratic concept of life, as has any other group in this country.

**Government Members:** — Hear! Hear!

**Premier Douglas:** — The Member for Humboldt said it was very difficult to understand, that while it's true you had an economic recession in other parts of Canada, how it could get into this socialist paradise. Well, we have never claimed that Saskatchewan was a socialist paradise. In the first speech which I made in this House, in October, 1944 at the emergency Session which we called to pass some of our Legislation, I said from my place here, that we did not anticipate being able to build an island of socialism in a sea of capitalism. I said the very best we could hope to do would be to take some of the democratic socialist principles and apply them to those fields of activity which lay within provincial jurisdiction, and thereby lay the foundation upon which ultimately we could build a co-operative commonwealth in Canada. That is what we have done. We've taken some of the principles and applied them. We've applied them for instance to the field of public ownership, and we've said that we'll try and supply our people with power, and with gas, and with telephone service, with certain transportation services, and with a certain amount of insurance, and we'll try and make those services available to them at the lowest possible cost. Moreover we will apply the principle that it shall not just go to those who are fortunately situated, but that even marginal communities will be served out of some of the surpluses which we make from the more fortunate communities. We said we will apply the principle of pooling our resources against the disasters of life, accepting the principle that it is not each man for himself, but that we have a collective responsibility for one another. To further the recognition of the principle that I am my brother's keeper, we sought to set up pooling arrangements to give people a great measure of economic and social security.

We set up the automobile insurance plan. We set up the cancer program, the mental health program, and the hospital insurance plan, and now we are in the process of preparing the medical care plan. This is the application of the principles of a co-operative society within the limits of provincial jurisdiction. We have never suggested

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that you can build a socialist society within a province. But what we have said is that some of the principles can be applied against the time when you have all the national as well as provincial authority to establish a co-operative commonwealth in this country.

I want to say Mr. Speaker, that this budget will continue to expand these programs for sound economic growth and for human well-being. To vote for the amendment is to vote to curtail these programs, to reduce expenditures, and to make it less possible to expand public utilities. To vote for the main motion is to vote for programs which have already been accepted by the people of this province, and which have commended themselves to people of other provinces to the extent that a great many of them have been copied and emulated in other parts of Canada. Therefore, Mr. Speaker, I shall vote against the amendment and vote for the motion.

**Mr. J.W. Gardiner (Melville):** — Mr. Speaker, in rising to join in this debate I feel somewhat at a loss following the Premier. I always enjoy his addresses; they remind me very often of the comic program on the radio. I enjoy the way in which he can turn off the comedy and turn on the emotion to try to affect the minds and hearts of people very quickly. One minute he can be ridiculing someone, and the next minute he can be talking about the brotherhood of man and brotherly love.

Mr. Speaker, I am quite certain that many of those who have worked in the profession that he did before he came into the political field would be totally ashamed of the type of performance that was put on by a man who reached the status of Premier of this province.

**Hon. Mr. Walker:** — You didn't enjoy it very much after all.

**Mr. Gardiner:** — In his remarks this afternoon, the Premier made some reference to the beliefs of those individuals who sit opposite. He forgot that there are others in the C.C.F. Party in this country that know something about socialism. He forgot that there are other leaders in the C.C.F. Party

in the Dominion of Canada, who have made statements on what could be done if the C.C.F. Party gained control of the Dominion of Canada, and I want to read one of those statements. It was made by Mr. Harold Winch, and not so long ago either, and this is what he said when addressing a meeting in Calgary.

**Hon. Mr. Nicholson:** — In what year was that?

**Mr. Gardiner:** — He said that the C.C.F. would scrap the British North America Act, and he went on to say a change is coming peacefully or not.

“When we become the Government we will institute socialism immediately, and we will use the power of the military forces to force the opposition to obey the law, and those who defy the Government would be treated as criminals. If capitalism says no, then we know the answer to that, so did Russia. We are going to scrap the B.N.A. Act.”

Then we go on, Mr. Speaker . . .

**Premier Douglas:** — Is my hon. friend aware that Mr. Winch completely repudiated that statement, that was a complete distortion of what he had said.

**Hon. Mr. Nicholson:** — Mr. Speaker.

**Mr. Speaker:** — Order! Order! Do you have a point of order?

**Hon. Mr. Nicholson:** — Mr. Speaker, on a point of order. The hon. Member must give his source. He has been asked for the source, would he give the source from which he is reading?

**Mr. Gardiner:** — The Journals of the House of Commons.

**Hon. Mr. Nicholson:** — Mr. Speaker, on a point of order, may I ask the hon.

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Member to give his authority, he is reading something but obviously he hasn't told the House what he's reading from.

**Mr. Gardiner:** — It's a political address that was given by Mr. Winch, in the City of Calgary.

**Hon. Mr. Nicholson:** — Mr. Speaker, on a point of order.

**Mr. Speaker:** — Order! Order! If you still have a point of order . . .

**Hon. Mr. Nicholson:** — On a point of order. The Member has made a serious charge against a Member of the House of Commons. He has refused to give the authority from which he is reading. I think that the rule is that a Member must give his authority.

**Premier Douglas:** — What is the date of the paper?

**Mr. Gardiner:** — Well, I'm speaking from the address that was made by the Prime Minister of Canada, in the House of Commons in which he quoted the remarks of Mr. Harold Winch that were made in the City of Calgary.

**Premier Douglas:** — Give us the page and the date.

**Mr. Speaker:** — Could the hon. Member give additional information?

**Premier Douglas:** — The other day, Mr. Speaker, on a point of order, the other day you insisted that a Member here give the authority before he even quoted, before he even made the quotation.

**Mr. Thatcher:** — Sure he made it all right.

**Mr. Gardiner:** — My friend from Moosomin is going to go and get it, and as soon as I have it I will



present you with the exact date. Now, Mr. Speaker, to go on with regard to the Premier's address, and the remarks he had to make in regard to socialism. At the present time, the Party across the way is deciding to change its name. They aren't going to try to create a new party, Mr. Speaker, because socialism is about as old as this old world of ours.

**Mr. Thatcher:** — They can't take it, the radio is off.

**Mr. Gardiner:** — Socialism is something old; it is not something new. So we find that when we consider the problems which are facing us at the present time, when certain labor leaders, not the workers in this country, are attempting to gain political power through their positions in the unions of this country, Mr. Speaker, two men who have been in the political life of this country, who have left it in one form or another, either through political defeat or through their own desires, and who today would gain further power in this country politically by gaining control of the labor unions in this country. Then they would have them support a political party in order to try to gain political power over the people of this country. If our friends want to hear some of the things that have been said by labor leaders in the country to the south of us, I'll read them one or two. The first one is by William Green, who was definitely one of the greatest labor leaders of his day, in the country to the south of us:

“The President of the American Federation of Labor, as reported in the ‘Wholesale Groceries News’  
—“

**Hon. Mr. Nicholson:** — Mr. Speaker, on a point of order. The hon. Member appears to be reading from some document, and I think the Members of the House have a right to know from what he is reading. He apparently is to read something from Mr. Green . . .

**Mr. Gardiner:** — Mr. Speaker, I just told him exactly what I was reading from.

**Hon. Mr. Nicholson:** — On a point of order. The hon.

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Member appears to be reading from some document, and I submit that he must tell the House from what he is reading.

**Mr. Speaker:** — Order! Is this the same document you were referring to before?

**Mr. Gardiner:** — This is my notes, Mr. Speaker, and I am reading a quotation from an address made by Mr. William Green, the President of the American Federation of Labor, and I am giving . . .

**Hon. Mr. Nicholson:** — Mr. Speaker.

**Mr. Speaker:** — Order! Order!

**Mr. Gardiner:** — . . . I'm giving them all the information, the days and the date of the speech, in October 1943, and this is the statement that was made.

**Hon. Mr. Nicholson:** — Mr. Speaker, on a point of order.

**Mr. Speaker:** — Order! Order! Are you still explaining what you are reading from?

**Mr. Gardiner:** — I'm giving them exactly the data . . .

**Mr. Speaker:** — Order! Order! The Member should be allowed to continue to explain what he is reading from. Have you finished your explanation?

**Mr. Gardiner:** — Yes.

**Hon. Mr. Nicholson:** — Mr. Speaker, the other day, the Minister of Education was not permitted to read without giving his authority. I ask you, Mr. Speaker, to require the Member for Melville to give us the authority from which he is reading.

**Mr. Speaker:** — I consider that he has.

**Hon. Mr. Nicholson:** — No, Mr. Speaker, he has . . .

**Mr. Gardiner:** — . . . The “Wholesale Groceries News” of the U.S.A. October issue 1943. Now, certainly, Mr. Speaker, that is enough information for my friends.

**Hon. Mr. Nicholson:** — Why didn't you give it in the first place?

**Mr. Gardiner:** — I was reading that when you interrupted me. If you would be a gentleman and stay in your seat for a while . . . This is what Mr. William Green had to say, and I know it is not going to be very good for my friends across the way. I don't blame them for trying to raise an objection.

“Individual liberty and security are inseparably associated with the vital principle of free enterprise, and the ownership of private property. These principles and blessings will remain with us only so long as we maintain the sources from which they flow. They will go with the wind and pass beyond our reach, and it will be difficult if not impossible to regain them, if ever there is substituted for them any form of socialism, communism or government regimentation. Because organized labor understands fully that it will suffer if ever the foundation and super-structure of free government is destroyed or impaired, it stands firm in its determination to protect and preserve free enterprise, and the private ownership of property at any cost.”

This, Mr. Speaker, was the statement of the great labor leader, in the country to the south of us.

**Hon. Mr. Nicholson:** — He has been dead how long?

**Mr. Gardiner:** — Now, Mr. Speaker, when we turn to what the Premier wanted to know, and he stated that in the Regina Manifesto, that the party didn't believe in socialism, as we are terming it over here. Well, what is said about Marxian socialism, from anything I have ever read, Mr. Speaker, the only

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thing that is any different from Marxian socialism or any other type, is that under Marxian socialism, force was going to be used to put it into effect.

I have already read one statement which shows the intention of the group across the way, or at least some of their Members, as to their indication of what they would do if they gained the type of power they have to gain – of course they are not going to do it here in Saskatchewan – no Federal Government would permit any such thing to happen, and if they ever did try to put their socialism into effect here, they would be stopped by a Federal Government. So we all know that the only way that socialism can be put into effect, as they say across the way, is by their gaining control of the Government of this country, of the army and of the police force, so that they can force their beliefs and their ideas on the people of this country.

**Hon. Mr. Erb:** — What did they do in Great Britain? What did they do in England?

**Mr. Gardiner:** — Here is a question that was asked in a pamphlet on the position by the C.C.F. Party themselves: “Does this political party consider that this objective so stated, gives to us a mandate to bring into operation socialism if elected?” The answer that was given was “yes”. Then they go on with many other questions, but I think that’s answer enough.

One day my friends across the way are socialists, the next day they aren’t socialists, and I think it’s about time the Premier across the way who has tried to state that socialism for some reason or other stands for the brotherhood of man. Well, Mr. Speaker, I am quite certain that as far as many in this country are concerned, the extreme form of socialism that we find in the world today certainly doesn’t believe in the brotherhood of man.

Now, in the remarks of the Premier, and of the Minister of Health, reference was made to questions of health, and the question of social welfare, and I think that there should be some explanation in dealing with health services. I am going to congratulate the Minister for being a little fairer than he usually is on occasions of this type, and even to the Premier himself. I think, after all, some of our addresses in this House have begun

to bear fruit. They realize that the people of Saskatchewan don't believe most of the fairy tales that are told to them from day to day to this Legislature and around the country by the Premier and members of his Government. Most of the people of this province have come to the point where they no longer believe their statements, because of statements such as the one that was read into the records of this House the other day by the Member for Arm River, the address that Mr. Coldwell made in Unity during the last election campaign, in which he made this statement. He covered the history of the health services which had been instigated by the C.C.F. in Saskatchewan, such as the Anti-Tuberculosis League. No greater lie was ever stated by any man in public life in this province, than to take credit for the work of the people that have worked behind the name of the Saskatchewan Anti-Tuberculosis League ever since 1911. This year we are celebrating their 50th anniversary, and the Minister of Health across the way, and the Premier, last year when it was coming close to an election, got up in this House and forgot all about the rest of the people of the province, and took credit for the fact that they had instituted tuberculosis care.

**Hon. Mr. Erb:** — That is utter nonsense.

**Mr. Gardiner:** — They took credit for the fact that they had instituted free cancer care; took credit for the fact that they had instituted hospital insurance. Hospital insurance! It wasn't hospital insurance; last year it was free hospitalization. Of course, since the last election it's not quite as free as it was before. Before the last election my family and myself paid \$35.00 for it, and this year we paid \$48.00. It is not quite as free as it was before the election last year. Our friends across the way like to refer to all these programs as free, something they are giving to the people for nothing, and that's the statements that they used, particularly on the budget. They are not quite so free with them in this House, Mr. Speaker, because they realize it's going to be brought home to them that they are trying to take credit for the work.

Then I hear some of my friends across the way talk about co-operation, Mr. Speaker. We have been fortunate ever since the formation of the Province of Saskatchewan, and even before then, in having a group of people who have worked together to build up the services for the people of

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this province, and I don't think it brings any credit to any Government in this province to take the credit for the hard work that has had to be put into many of the projects that we have in this province at the present time in order to make them possible. But to this Government, nothing is sacred, Mr. Speaker, nothing in this province is sacred. They'll take the credit for everything that the people have done, if they can possibly do it, and that's why I say that I want to congratulate the Minister this afternoon for the fact that he did indicate that someone besides this Government was providing the money to build the hospitals of this province. This is one of the first times he has ever given credit to someone else besides this Government, in spite of the fact that it's the work of the local people, and the taxes of the local people that go towards building the hospitals in this province, and have gone towards that purpose before they went into office, and since they came into office. The hard work and co-operation of our local people in the last few years, along with the assistance of local, Federal and Provincial Governments. It wasn't very long ago they used to forget the Federal Government was even contributing dollar for dollar.

Now, of course, the Minister states this afternoon that he has a new program. He says that he is going to encourage the hospitals through this new program, to go on a pay-as-you-go basis. Now, when I heard both him and the Premier speak this afternoon about this pay-as-you-go basis, I thought that they had better to go the Minister in charge of the Power Corporation; they seem to have two values. They think that the hospitals should work on a pay-as-you-go basis; they think that the Government, or so they state should go on a pay-as-you-go basis; but they think the Crown Corporations, or public utilities, should work on a different basis. Well, I don't know, Mr. Speaker, how you could put together two different policies with one Government, and then state that this is planned; this is the type of planning you can expect from a socialist government.

As far as I'm concerned Mr. Speaker, there has been very little planning, put into this budget or into the program, that the various Ministers have presented to us here today. I had the Minister in charge of the Power Corporation, tell me last night, that he hadn't decided on his program until the night before. Now, Mr. Speaker, if that's government planning, deciding on your

program the night before you come out with it, even after the budget is written, then come to this Legislature and present it, if that's socialist planning, I don't think the people of this province want to see very much more of that type of planning going on.

Surely with all the experts he has in his Department and in his Power Corporation, he could find somebody who could draw up a program so that he could tell the people of this province what's going to happen to them over a period of six months. I have written to the Minister now for a period of six months trying to find what his program was going to be, and this is the same kind of answer that I got all the time.

People in various communities throughout this province, Mr. Speaker, have to make plans when gas is going to be brought into their community. They have to make plans when power is going to be brought into their community, and surely with all the planning that we hear about from the other side of the House, with regard to the installation of power and gas, surely the Minister can find someone in his Department smart enough to draw him up a plan so that he can tell the people six months ahead of time, whether they are going to get gas or whether they are going to get power, so that they can prepare for it, so that they can put aside the money that they might need to make the changeover to natural gas, and the changeover to power, or to get the facilities that will be needed if gas and power were put in, in their various communities.

So I say to the Minister that with the Economic Planning and Advisory Board and with all the experts in the various branches of Government, I would suggest that another year he have his plans made up six months ahead of time, so the people of this province will know what his plan is, and so that they can plan also in order that they can all co-operate together to bring about the greatest advantages to the people of this province.

Now, Mr. Speaker, I want to return just for a moment, to statements that were made by the Minister of Health. During the last two or three weeks, I have placed some questions on the Order Paper of the House asking for information with regards to resignations of the staff in the Psychiatric Branch of the Department of Public Health, located in the City of Yorkton. Every answer has always been

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that there have been no such resignations. Well, Mr. Speaker, there seems to be some difference in view, as between the Minister and one of his staff in the City of Yorkton. Three weeks ago speaking in the Town of Lemberg an employee of the Psychiatric Branch of the mental health staff for the City of Yorkton, stated publicly that five members of the staff, including himself, had tendered their resignations to the Minister. He stated that he had agreed to stay on for six weeks until such time I suppose, as the Department was able to make other arrangements and other plans.

**Hon. Mr. Erb:** — Mr. Speaker, on a point of order. At no time have I received any letter stating the resignation.

**Mr. Speaker:** — I believe that is not a point of order, it is an explanation that you could . . .

**Mr. Gardiner:** — What was the statement of the Minister?

**Premier Douglas:** — He stated that no such resignations had been received.

**Mr. Gardiner:** — Well I would state then, that if his staff are going around the province, and stating that they have all resigned, and making statements of that type, that the Minister had better look into it.

**Premier Douglas:** — Did the hon. Member hear them make this statement or is this second hand?

**Mr. Gardiner:** — This came from at least four people who attended the meeting, which was a Home and School Meeting, and I don't think the particular gentleman had any objection to it being used publicly or he wouldn't be making these statements. So I am going to state here that this more or less bears out the story that he told that night, but the Minister has denied that and I will have to accept his statements in this House that he didn't receive any letter of resignation.

Now, Mr. Speaker, there comes from the press in Yorkton and in Regina a statement that Dr. Frederick Grumberg, who is in charge of the Psychiatric Branch at



Yorkton, has resigned because of the policy of the Government in not proceeding with the construction of the mental centre in the city of Yorkton, and I believe that he has good reason to resign from his position in protest against the actions of the Government. Here in Saskatchewan, where we have a so-called Saskatchewan plan, we are one of the last provinces in Canada actually to accept and really start doing something about this co-called Saskatchewan plan. Even in the statement that was made by Dr. Lawson in Yorkton, he indicated that this was the position, and that the Saskatchewan plan was no longer that because Saskatchewan had never adopted it, or never really tried to put it into effect.

I think, Mr. Speaker, that when the Minister spoke here this afternoon, with this resignation before him, that he should have had some statement to make to the people of this province, with that report in the press, as to what the position is in his Department with regard to staff of the Psychiatric Branch of the Department of Public Health in the province of Saskatchewan. I don't think things are nearly as healthy, even as these reports indicate, and I think before long you are going to hear further from employees of that branch.

Now, Mr. Speaker, to clear the request up of my friends across the way as to where the statement came from, here is the copy of the Debates of the House of Commons of Canada, Session 1960, Volume 4, the statement by Mr. Winch, as read by the present Prime Minister of Canada, and the statement was made, if the gentlemen want it, November 10, 1943, by Mr. Winch, in the City of Calgary. This is the statement made by Mr. Diefenbaker during a debate in the House of Commons and he wasn't called to order at that time, before he proceeded to read to the House the statement that had been made by Mr. Winch on that occasion. So I hope that that will clear up that particular question for my friends across the way.

**Premier Douglas:** — What's the Hansard date? I didn't catch it.

**Mr. Gardiner:** — May 30, 1960. It was page 4330.

Now, Mr. Speaker, to return to the Department of Health, I want to say in closing this part of my address, that the hospitals of this province do not quite bear out

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the statement by the Minister of Health that they were properly consulted with regard to his actions on September 1st, last, when he put into effect the new grant formula. In fact, I have here the brief that was presented to the Cabinet of this province stating that a commitment that had been made to them to seek their advice before making a final decision after the first meeting was held and this matter was discussed, that the consultation never took place. Of course, I don't know whether the Minister is going to deny that the Hospital Association are correct in their statements that they weren't consulted by the board on this particular date.

Then I want to remind the Minister that his actions aren't quite as holy as they look on the surface. Certainly it would be nice to have more of a capital grant for construction purposes when a hospital is being built, but the Minister realizes as well as I do, and he has tried to state it in this House, that we have the best hospital accommodations, and I have heard him say it myself, in the Dominion of Canada. I am quite certain that many of the hospitals that have been built in the last twenty or twenty-five years are not going to be built again. I know that places have been turned down in this province for a hospital that would like to have a hospital, because they have been told that there is not a need for a hospital in that location. I am going to ask the Minister where all this money is going to be spent, that he is talking about at the present time. I don't believe that by the time he gets through that program he will spend anywhere near the type of money he mentioned here this afternoon to this House, because of the fact that the construction definitely will not come about for the next few years.

But this is not the whole story. When it comes down to the question of principal payment, the Minister says he has accepted the payment of the principal payments of the debenture debt of the hospitals in this province, but at the same time he also states that he has taken away the rights of the hospitals to use the depreciation cost as part of their operating costs under the Saskatchewan Hospital Services Plan, and the figures that have been handed down in the last few days by the Minister definitely indicate that if this is the case, and the Minister shakes his head that it is, the amount that will be reduced from the hospital cost of operation, through taking away their right to use depreciation as a cost of operation, that amount

will be larger than the total benefit they will receive from the Government taking over the principal payments for debenture capital debt of the hospitals in this province. So, in spite of what the Premier said out in B.C., when he was out there campaigning in the election last year – he went and saw the press out in British Columbia, and he told the press the people of Saskatchewan were going to be relieved of their property tax for the purpose of constructing hospitals and operating hospitals in this province. Well, Mr. Speaker, I'm afraid that if conditions are as indicated in the reports that are handed down to us, the costs are going to increase, the property taxes are going to increase for the purpose of operating and constructing our hospitals in this province, instead of decreasing.

Then we come to the question of Social Welfare. With regard to Social Welfare we have statements here from the Premier this afternoon. I think this is another place that he should indicate that there is co-operation between his Government and others. After all, the Provincial Government in this province is only paying 50% of the total cost of social aid. The Federal Government pays 41%, and the balance is paid by the municipal people in this province, and yet these people get up and say look at what we are paying for social aid. They don't give any credit to the Federal Government. They don't give any credit or very much to the municipalities. But it's the C.C.F. Party that's doing everything for the people of this province in regard to social aid. Some of the Members have even got up in the debate and claimed they were responsible for Old Age Pensions. Well, I never heard of the C.C.F. prior to 1933, in fact, nobody else did, Mr. Speaker. There wasn't a C.C.F. party until 1933, but strange as it may seem, the Old Age Pension Act came into effect in 1927. Of course, our friends across the way would like to leave the impression that there was one man in Ottawa, one man who was responsible for the Old Age Pension Act, because of the fact that somebody showed a little appreciation to him and wrote him a letter and thanked him for his assistance. In 1927, when the Old Age Pension Act was passed, the Liberal Party in Canada had a clear majority in the House of Commons and they didn't need anyone's help in order to put the Old Age Pension Legislation into effect.

And so I say here, Mr. Speaker, with regard to all our social aid programs, whether they are disabled

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pensions, whether they are blind pensions, whether they are old age pensions, whether it's our pension for those between the ages of 65 and 70, none of those were inaugurated by the Government that we have here in the Province of Saskatchewan today. Not one of them, Mr. Speaker. Not one of the auxiliary pensions came into being until the Federal Government in Canada said, "If you accept part of the responsibility for this plan, we will inaugurate it to the Dominion of Canada", and so a Federal Liberal Government put into effect disability pensions, blind pensions, pensions for those between the age of 65 and 70, and they also put in the full pension in 1952, the present Old Age Pension for everyone over 70 years of age. This C.C.F. Party can accept no credit for any one of those programs that was put into effect in the Dominion of Canada, or in this province. So I say to the Premier, that I hope that in the future that if they truly believe – they talk a lot about co-operation – and when they stand up and relate these programs to the people of the province, whether it's on the hustings, or whether it's here in the Legislature, that they will show some of that spirit of co-operation, some of that spirit which will give credit not only to the people of this province, but to others for the things that they have done for our people.

I can read philosophy too, but I am not going to take the time this afternoon, but I could read to you the philosophy that I believe in, and I am going to do it before the Session is over.

Mr. Speaker, I can assure the Premier of this province, that in relationship to the services of health and social welfare, or any of the other policies that have been laid down in this budget debate, there is nothing that has been done on any better scale, than was done by Liberal Government prior to 1929, when they were in a comparative period of prosperity. If we look at the budget of 1925-26, we find that education had 35% of the total budget of that particular date, and if we take the services that the Premier spoke about a few moments ago, the three services of Health, Social Welfare, and Education, almost exactly the same amount was spent in that year by a Liberal Government on those three services as is being spent in this present budget. So when this Government here tries to take credit for the fact that they are doing something new or something different, I think they had better look a little bit further back than going back to the days of depression and war, in order to find their history of the Province of Saskatchewan.

Mr. Speaker, I am going to support the amendment, and I will not support the budget.

**Mr. Speaker:** — I must draw to the attention of the House, that the Hon. Minister is about to exercise his rights in closing the debate, and anyone who wishes to speak in this debate, must do so at the present time.

**Hon. W.S. Lloyd (Provincial Treasurer):** — Mr. Speaker, I rise to make a few concluding remarks to the budget debate. I want first of all to thank those who have been good enough to take part in the discussion about the budget. This doesn't mean of course, as is obvious I think, that I agree with a great deal of what has been said from some parts of the House. Nevertheless, I appreciate the fact that people have taken part.

I must admit, Mr. Speaker, that I had no idea when, just a few weeks ago, the Premier and I struggled with you to get you to accept that Chair, that the Opposition would struggle quite so long and loudly to keep you from moving out of it as they have done in this debate.

I want particularly to thank those Members on this side of the Legislature who have taken part and assisted in the interpretation of the budget, and in cancelling out remarks which have been made by members of the Opposition. I particularly say 'thank you' for those comments, of generous reference to myself.

The remarks that have been made from this side of the House have made my position at this moment easier and at the same time, more difficult. The remarks have made it easier, because, after all, nearly everything that is necessary to have been said, has already been said. The ground was covered completely and intensely as well, by the Premier in his remarks earlier this afternoon, and in the remarks of other persons during the week. My position is more difficult then, in that it is necessary to say something without being repetitious.

I thought it would be useful, Mr. Speaker, if

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we should first of all just take a look at the general tenure of the remarks of the Opposition during the debate, and try to establish what I suppose might be called a sort of composite picture of the Opposition as indicated by their comments during the debate. Now here are the remarks, I'll just draw them together a little bit. Part of the picture we get from their remarks was the one which was predictable, and on which there has already been comment. They, first of all, are opposed to the Government collecting the amount of money which the budget suggests we need to collect this year. They would reduce that amount of money considerably, since they are not in favour of the increased sources of revenue which are being proposed, and are not in favour of some other existing sources of revenue. So it is safe to say that they would decrease the amount of money we have to spend by some \$4½ to \$5 millions. They are also opposed to the province's borrowing, so presumably, they would decrease still further, by limiting our borrowing, the amount of money that we would have to provide services. At the same time, nearly all of them at least, seem willing to add certain expenditures to the Government. Although, there are some of them who have indicated that they wouldn't want to vote against everything, but would like to vote in favor of some parts of the budget.

For example, the Member for Moosomin, I believe, indicated in interchange across the House last evening, that he would like to vote for that little part which brings more gas to his Constituency. I presume that the Member for Melville would not want to vote against that part that is going to bring some gas to his Constituency – commercial gas in this case, Mr. Speaker, and more useful. The Member from Pelly, I am sure would want to support that part of the expenditure which takes a system of gas into a part of the province from which his Constituency can be served later on.

With regard to highways, I am sure that the Member from Arm River, and the Member from Wilkie, and the Member from Estevan, and the Member from Turtleford, and the Member from Maple Creek would all want to support that portion of the budget, which brings better highway services to them. I am sure that they will all want to support that portion of the budget which extends more power to rural areas throughout the province, and that which develops our generating stations to the point that we will be able to

supply with a very steadily, and gratifyingly so, increasing consumption of power throughout the province. The Member from Athabasca might even be willing to support that part of the budget, announced by the Minister in charge of the Power Corporation last night, which takes a power line into the northern part of the province at Beauval and Ile a la Crosse, costing some half a million dollars.

So we have this kind of picture, first of all, by the Opposition saying “Don’t use as much money (by decreasing taxation, and by borrowing less), but at the same time spend more.” This is an old story, as has been pointed out previously on many occasions . . .

**Mr. Thatcher:** — . . . Power Corporation and so on.

**Hon. Mr. Lloyd:** — . . . and points out the contradiction which is again apparent within the ranks of the Liberal Party. So they have a bias it seems to me, Mr. Speaker, first of all, against the Government doing those things, which are necessary in order to do some of the things which they suggest ought to be done.

Secondly they have indicated a bias against public ownership. The Premier has already referred to this this afternoon, I need only mention it in order to add to my composite picture, against public ownership, even of utilities such as power and gas. There have been remarks – interjections of the Leader of the Opposition, we had the remarks from the Member from Estevan, who had great praise for the rural electrification system in the Province of Alberta, which is of course, under private ownership there.

So it seems fair to assume that in this composite picture, we must realize that not only would such things as the Insurance Office, and other Crown enterprises go out the window, but to some extent also, some parts of the power and gas utilities.

**Mr. Thatcher:** — That is not our intention when we form the Government.

**Hon. Mr. Lloyd:** — I’ll put it this way Mr. Speaker: Based on

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the remarks of the Members of the Opposition, one must assume, that had they been in power in this province, then there would not have been the development of power and gas as a public utility which there has been. There is no other conclusion which can be arrived at . . .

**Mr. Thatcher:** — There is development in every province.

**Hon. Mr. Lloyd:** — . . . if we accept them as being sincere, as being honest with regard to their statement about the borrowing of money. They can have it one way or the other — they can attest to absolute dishonesty, disbelief in their statements about the amounts of money that should be borrowed, or they can accept the fact that if they had been in Government, then there would not have been the development, under public ownership, of power and gas — it is one or the other they can accept.

Secondly in the matter of this composite picture, of the Opposition, some at least have certainly indicated a bias against the co-operative movement. We have the Member from Rosthern, or perhaps it was from Gravelbourg, I think from Rosthern, who suggested that the Department should be abolished — Am I wrong? — the Member who suggested that the Department of Co-operatives should be abolished, that it could all be handled by the Department of Agriculture, indicating of course, an entire lack of appreciation as to the scope and meaning of the co-operative movement. More particularly, we had yesterday the words from the Member from Athabasca in which, in describing the fish marketing co-operative, he had recourse to such words as being “a subtle and a vicious kind of organization.” These are rather harsh words, I suggest, Mr. Speaker, to be used to this organization, when you take a look at the members of the Board of Directors, and I want to put the names of those members on the records. The chairman is the Minister of Co-operatives, the Hon. Mr. Turnbull; Mr. Robson, an employee of Federated Co-operatives; Mr. Les Stutt, previously Director of Field Services for the Wheat Pool; Mr. Brean Melvin, secretary of Co-operative Life Insurance; Mr. C.H. Whiting, a well known farmer and co-operative supporter in the Province of Saskatchewan, formerly chairman of the Board of Governors of the University; Mr. Preston of the Government Finance Office, a government employee; Mr. Johnson, the manager of the Co-operative Credit Society; Mr. Larson, a citizen from



northern Saskatchewan; Mr. McDonald, an employee of the Provincial Government; and Mr. Kuziak; together with some associate directors, Mr. Carrier and Mr. Chatfield, who comes from the ranks of the fishermen themselves. These are the people, who in the words of the Member from Athabasca are directing an organization, which is subtle, and which is vicious insofar as the fishermen in northern Saskatchewan are concerned. I say it is impossible to come to a conclusion, other than the fact, that there is a bias against the full-fledged development of the co-operative movement on the part of a number of Members.

Fourthly, we have again the indication of the bias against labour organizations. We have the Leader of the Opposition interjecting, when the Minister of Public Works was speaking, something with regard to Mr. Hoffa. You link this up with the remarks of the Member who has just taken his seat with regard to political activity and link it up with the remarks of some others with regard to the proposed New Party generally. It is rather interesting to note that Mr. Hoffa is one of the few leaders of large trade union organizations who has so strongly advised trade unionists not to take part in the political party. He too thinks, they should be political neutralists as my friend the Member for Melville was arguing this afternoon.

I submit, we had also from the Member for Gravelbourg, who strongly endorsed the letter which was circulated just recently from a Mr. Ilman of Bradwell, suggesting that it should be an unfair labour practice if a trade union which was using the check-off should become affiliated in any way with a political party. So I submit, we have a bias against the full-fledged development of the trade union party by the Members opposite.

Finally, of course, in addition to being against these things, I must conclude also, that they are solidly against sin. I do this not because of what the Member from Humboldt said when she was speaking, so much as the way in which she delivered her lecture to the Members of the Government. This attitude of sort of virginal virtuosity with which she told the Government exactly what we were, in her opinion, and exactly what we weren't. You know, I don't need to go into the story about the Prodigal Son, because that has already been done so effectively, this afternoon, but there was one thing missing from the hon.

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Member's story. You may recall, Mr. Speaker, that she started off by saying, "Now, to begin with, I didn't think very much of the Leader of the Opposition", and she went on to say why, and then she indicated that she was going to tell us that she had changed, because her conscience was pricked by reading about the Prodigal Son. But, she never got around to telling us in the end, just what her position had changed to. So we're left in the dark, as to whether contrary Mary is still contrary, or whether she is just contrite and is now co-operative. It is difficult to tell from what she didn't say in that particular part of her story.

I submit, Mr. Speaker, that you have there, adding together the parts of the story as it was unfolded by successive speakers over there, a picture of the group which sits to your left, in this House.

I want to turn briefly to the opposition which has been expressed, with regard to the increase in tax rates proposed in the budget. The increase . . .

**Mr. Thatcher:** — On a point of order, I wonder if the Minister would permit an interjection.

**Mr. Speaker:** — Is this a point of order you have?

**Mr. Thatcher:** — Yes. My understanding was that we had a party agreement to vote at 5:00 o'clock. Now has that gone by the board?

**Hon. Mr. Lloyd:** — Mr. Speaker, if I may speak to the point of order. I think the Standing Orders say that the vote must be taken half an hour before the time of ordinary adjournment. The time of ordinary adjournment, on Friday night is at 10:00 o'clock, so that the vote is to be taken half an hour before 10:00. May I say by that, that I have no intention of speaking till 10:00 o'clock.

**Mr. Thatcher:** — That is so, but we had a gentleman's agreement.

**Mr. Gardiner:** — On a point of order on this subject; I was told that

I could have half an hour this afternoon, and I stuck by that agreement honestly. I could have continued and have said much more than I did, but I stuck by that request of the two whips to carry that out, and I spoke my half hour and I sat down. If I had known that this double-cross . . .

**Mr. Speaker:** — Order! I cannot entertain points of order on whips' agreements . . .

**Premier Douglas:** — My hon. friend jumps to conclusions about dishonesty. There ought to be a little more restraint in his language. The idea was a vote would be taken prior to 5:30. Under the rules of the House a vote does not have to be taken till 9:30. The idea was that if the hon. Member from Melville left the Provincial Treasurer time to close the debate, we'd have the whole thing cleaned up by 5:30, and there is nothing to prevent us doing that. The vote will not take long.

**Mr. McDonald:** — Mr. Speaker, as I read the Standing Orders, either the vote has to be taken now, or it cannot be taken till tonight. Well I'll read it to you. Half an hour before ordinary closing time . . .

**Premier Douglas:** — The ordinary closing is . . .

**Mr. McDonald:** — If the Provincial Treasurer is prepared to . . .

**Mr. Speaker:** — Order! My understanding of the matter is that provided the hon. Member closes in time, the vote can be taken at anytime before 10:00.

**Hon. Mr. Lloyd:** — Mr. Speaker, my understanding of the informal arrangement, was that I was to take a half an hour, and I haven't nearly approached that yet, and I have no intention of taking longer than that, and if so by only a few minutes. If someone will tell me what time I started, I will quit when the half hour is up.

May I mention the increase in the gas tax? It was

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pointed out to us by the Member from Humboldt that a good Government would have been reducing taxes at this time, and it was pointed out by the Member from Maple Creek that the only need for this was because of something that the Provincial Government had done, or had not done, during the preceding years. Well it's rather interesting in the light of those statements just to remind you again of what has taken place in other provinces of Canada, either within the last month, or within very recent months at least. The Premier reviewed them – British Columbia, gasoline tax up 3¢; Alberta, gasoline tax up 2¢; Ontario, a new 3% sales tax; Nova Scotia, gasoline tax up 2¢ or 3¢ and a sales tax increase of 2% to a total of 5%; New Brunswick, an increase in gasoline tax of 3¢ a gallon, and an increase in diesel to the differential of 5¢ over and above that. These are not CCF Governments. These are not Governments in which there should have been, according to the definitions of the hon. Members across the way, any particular problems, but all of them have found the same difficulty, and found themselves faced with the same necessity of finding new revenues in order to face their problems during this year. I want to have reference to what happened in the province of Quebec, within very recent months. The province of Quebec is one which retained the right to establish its own taxation on private and corporate incomes. On January 1st, 1961, the tax on corporate profits in the province of Quebec went up to 12% by 2% more than it was the year previous. That means corporations in Quebec are being taxed 2% on their profits higher than they are in Saskatchewan or other provinces under the agreement. Similarly on January 1st, 1961, in the province of Quebec, there is a change with regard to the taxable income levels. Whereas previously the exemption was \$1500 for a single person, and \$3000 for a married person, on January 1st, 1961, the exemption is \$1000 for a single person, and \$2000 for a married person, and some very small increase in rates as well.

The only reason I make these particular remarks, Mr. Speaker, is to emphasize again the point I made in the budget address when I said hon. Members will notice that the present financial problem is due not so much to inherent difficulties peculiar to the Saskatchewan economy as to the massive problems of the whole Canadian economy. I think it is important that Members of the Opposition as well as Members of the Government understand this. I think, furthermore, it is important that the Federal Government understand this, as it has been pointed out over and over again to the

Federal Government that the result of not improving tax sharing agreements, is to force the provinces into increases in sales tax and increases in gasoline taxes which are in general more regressive than the taxes on income and corporate profits.

I want to take just a very few minutes longer to have reference to some individual statements that were made during the debate. When the Member for Moosomin got up to give his major talk on the budget, I had just made an announcement with regard to Saskatchewan Savings Bonds. The Member from Moosomin welcomed the announcement, but then searching around for something to say which wouldn't be too nice, he said, "I only wish you'd give the same interest rate to Saskatchewan investors that you give to the coupon clippers in eastern Canada." Well, of course, he ignores entirely, as must have been very evident, the fact that this is a different kind of a loan. It is first of all for a period of ten years; secondly, it is guaranteed at par value; and thirdly, it is redeemable at any time a person wants to redeem it. On that kind of a basis, obviously, it is a very good deal, interest-wise. I think he might have, at the opening of a sales campaign been good enough to have refrained from making comments like that over the radio until he had studied it out, and found out what he was actually saying.

**Mr. McDonald:** — I still don't agree with you . . .

**Hon. Mr. Lloyd:** — . . . Demonstrating then, of course, that he doesn't understand at all the situation.

Mr. Speaker, may I repeat again, the fact that the people of Saskatchewan have responded exceptionally well to that loan, the latest information which I have is that applications to date amount to something in the neighborhood of \$9,900,000, it will probably be something over \$10 million.

I want to return to just one of the remarks, because to some extent it was typical of a few of the errors in criticizing the budget. This is a remark made by the Member from Athabasca yesterday who, in his zeal to search out something bad to say, said, "Why the amount provided for administration of education in northern Saskatchewan is going down." Well it's true Mr. Speaker, the amount for

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administration in northern Saskatchewan, in the budget estimates, is some \$3,000 less than last year. This of course, is just to do with the administration of the Northern Education Office, a fact, Mr. Speaker, which I suggest the hon. Member knew full well when he was standing in his place. Now, of course, the test of what's happening is not what is spent in the office, but the amount that is going to be spent in operating the schools. When I check on this, I find that in 1960-61, an amount of \$433,000, roughly, was expected to be spent, and that in this year some \$509,000 is expected to be spent. I think that one should be able to expect, particularly from a Member like the one from Athabasca who is intimately connected with what is going on in education, that he would have known better when he made that statement. That he would have known it was a misleading statement.

May I take just a minute with regard to the total picture of that situation in northern Saskatchewan over a period of years. In 1955-56 there were fifty-one teachers in the area, not counting Uranium City, or Creighton Village or Town as it is now. In 1961-62, which is six years later, there will be eighty-one teachers in that area, an increase of some 60%. In 1955-56, the expenditure was in the neighborhood of \$206,000; in 1961-62 it will be in the neighborhood of \$509,000 – almost twice as much in a period of five or six years.

Now the other two remarks that I want to make Mr. Speaker, have to do with one comment of the financial critic of the Opposition with regard to the debt of the Province of Saskatchewan. He had reference to the funded debt and pointed out that according to a statement of the Dominion Bureau of Statistics, the funded debt in Saskatchewan was second high among the Canadian provinces. This of course, is correct, insofar as the position is revealed by looking just at the funded debt. But, you know, if he had wanted to describe the whole picture, he would have read the rest of the page, because in the Table immediately below this, Table No. 2 – Indirect Funded Debt, which are guaranteed bonds, guaranteed by the Provincial Government. In fact there is little if any, substantial difference between debt which is obtained by direct borrowing, or that which is obtained and which is guaranteed. For example, the Ontario Hydro Commission finances much of its capital expenditure by means of a guarantee from the Provincial Government. Now there is no difference insofar as the people of Ontario are concerned, insofar

as that debt is concerned, and insofar as the debt on the people of the Province of Saskatchewan by money which is fully borrowed. If he had added those two together, then he would have found that Ontario had the most debt, Quebec the second, British Columbia, which supposedly is debt-free would be third, Saskatchewan would be fourth in the list, and then Manitoba almost as much as Saskatchewan. But, even this doesn't tell the whole picture, because you will realize that this debt for Saskatchewan includes the cost for installing and distributing natural gas. This debt for Manitoba does not include that cost. That is a private enterprise debt. As a matter of fact Saskatchewan is the only province of the entire group, which has under public ownership, gas, power and telephones, which has all three of them. This, of course, is the reason why our funded debt will appear to be somewhat higher.

The other comment I want to make was one made by the Member from Pelly. He had reference to the fact that the interest rate paid on Saskatchewan bonds was second highest in all the provinces of Canada. Well again the Dominion Bureau of Statistics is, of course, an organization which produces accurate information, but it presumes when it produces it that people will read the information accurately before they start to use it. The Table to which my hon. friend from Pelly referred was a Table setting out the coupon rate on the various borrowings of the particular Provincial Governments, and averaging this out. Now the coupon rate, of course, doesn't begin to tell the story about the actual interest cost involved at all. As one looks over that Table you'll find that some provinces have borrowed a considerable amount of money at 2% or at 3%. Of course, they did, but what they got when they borrowed this \$100 at a 2% coupon was not \$100, but \$75 or \$78, \$80 or something like that, so that the actual interests rate bears really no direct resemblance to the Table from which the hon. Member from Pelly had reference, and by which he sought to suggest that Saskatchewan was paying an extraordinarily high interest rate.

Mr. Speaker, the time has arrived I think, when the full consequence of those nine little words, that I spoke some ten days ago –“Mr. Speaker, I move that you do now leave the Chair” – must be fully counted. I think it will be assumed that I at least am not going to support the amendment, and that I at least, am going to support the motion. I have reasonable confidence that it will be possible to obtain a majority who stand with me on that motion.

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The question being put on the amendment, it was negatived on the following recorded division:

**Yeas – 13**

Messieurs

Thatcher	Batten (Mrs.)	Barrie
McDonald	Danielson	McFarlane
Gardiner	Foley	Guy
Klein	Coderre	Snedker
Gallagher		

**Nays – 31**

Messieurs

Douglas	Dewhurst	Williams
Brockelbank	Lloyd	Walker
Nollet	Kuziak	Cooper (Mrs.)
Strum (Mrs.)	Davies	Willis
Brown	Thurston	Blakeney
Erb	Nicholson	Turnbull
Stone	Whelan	Thibault
Kramer	Johnson	Meakes
Snyder	Stevens	Kluzak
Dahlman	Perkins	Peterson
Broten		

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

**Yeas – 31**

Messieurs

Douglas	Dewhurst	Williams
Brockelbank	Lloyd	Walker
Nollet	Kuziak	Cooper (Mrs.)
Strum (Mrs.)	Davies	Willis
Brown	Thurston	Blakeney
Erb	Nicholson	Turnbull
Stone	Whelan	Thibault
Kramer	Johnson	Meakes
Snyder	Stevens	Kluzak
Dahlman	Perkins	Peterson
Broten		



Nays — 13

Messieurs

Thatcher	Batten (Mrs.)	Barrie
McDonald	Danielson	McFarlane
Gardiner	Foley	Guy
Klein	Coderre	Snedker
Gallagher		

**QUESTION RE HOUSE BUSINESS**

**Mr. Thatcher:** — Before you leave the Chair, might I direct a question to the Premier as to what business will come up on Monday?

**Premier Douglas:** — Mr. Speaker, I think we will move ahead with Legislation first, because it often happens that when you get into committee and find something isn't satisfactory, the wording should be redrafted, and things of that sort. If we deal with Legislation first, that gives us time to re-draft it while we are in estimates and have it brought back. I would like to go at Legislation if that's agreeable to the House, adjourned debates and second readings.

**Mr. Thatcher:** — I wonder also if the Premier could indicate, which department of estimates will come up first. If not tonight, possibly he could tell us Monday, so we'd have some idea.

**Premier Douglas:** — I think we'll try to do that, let the Members know if we can each day on adjournment, what Departments are coming up.

Mr. Speaker then left the Chair (Committee of Supply).

The Assembly adjourned at 5:35 o'clock p.m.