

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Third Session — Fourteenth Legislature
25th Day

Thursday, March 29, 1962.

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

On the Orders of the Day:

CURLING CHAMPIONSHIPS

Premier Lloyd: — Mr. Speaker, before the orders of the day I would like to read a statement with regard to forthcoming events in the legislature which I just distributed to the press.

“1962 is once again curling championship year for Saskatchewan. The Richardsons of Regina are the 1962 Dominion Brier Champions. They went on also to win an international championship in Scotland. Mike Lukowich's rink of Speers are the 1962 Canadian High School Curling Champions. It might be added that the Saskatchewan Ladies' rink skipped by Joyce McKee were runners up in the Diamond D Curling Championships. The Saskatchewan Legion team also won the Canadian Legion Curling Championship.

There has been a tradition for this legislature to pay tribute to the Saskatchewan curling rinks who have brought honour to themselves and to this province by winning open Canadian championships. The Richardson rink will return from their triumphs tomorrow. Citizens and local curling clubs in Regina have made extensive plans to provide a suitable homecoming reception for them. The government has been in close touch with the local committee in order to make plans on behalf of the legislature for these champions to be honoured in this chamber.

However, it is not possible for the high school champions to come to Regina tomorrow. The day on which the Richardsons arrive back in Regina is the same day on which the Lukowich rink is committed to play in a bonspiel in

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Saskatoon. Attempts were made to rearrange their playing schedule but this has been found to be impossible. Their appearance in the Saskatoon bonspiel has been arranged for some weeks and their desire to fulfill their commitments to this curling community prevents them from being in Regina tomorrow.

The government feels it desirable to honour the Richardson rink and the Lukowich rink at one ceremony in this chamber. For this reason it is necessary to cancel the original plan as far as the legislature is concerned for this event to take place tomorrow.

Representatives of the government will be in communication with the Richardsons, the Lukowich rink and curling officials. Plans will be made for an afternoon next week convenient to both champions, to be selected, at which time this legislature will bestow honours on behalf of all citizens of the province.”

QUESTION: MEDICAL CARE

Mr. W.R. Thatcher (Leader of the Opposition): — Mr. Speaker, before the orders of the day are called I should like to direct a question to the Minister of Health. Did the College of Physicians and Surgeons yesterday again decline to participate in the government medical plan? If so, how does the government intend to proceed in implementing their scheme without doctors?

Hon. W.G. Davies (Minister of Public Health): — Mr. Speaker, discussions took place yesterday between the College of Physicians and Surgeons and the government. These talks were, as indicated, of an exploratory nature. We will continue this weekend, I believe that is all that is in the public interest that I should say at this time.

ANNOUNCEMENT: CHAMPIONSHIP BULL

Mr. D.W. Michayluk (Redberry): — Mr. Speaker, before the orders of the day are proceeded with I would like to draw to the attention of

the hon. members of this House, to the fact that Mr. John Grant of Edam, from the Redberry constituency has this week exhibited a supreme champion Aberdeen Angus bull at the Regina Livestock Show and Winter Fair. Early Sunset Bandoliermere 12, was named supreme champion of the Seventh Annual Aberdeen futurity show in Regina last night. This is the second year that Mr. Grant has won honours in this breed. Last year his animal won the grand championship in the Aberdeen Angus division, while this year Early Sunset Bandoliermere 12 was named supreme champion.

I am also given to understand that last year Mr. Grant won honours with his exhibit at the Toronto Royal Winter Fair. I am sure all hon. members of this House would want to join with me on congratulating Mr. Grant on his tremendous achievement. I am certain in the future we will again be hearing of Mr. Grant and his exhibits.

QUESTION: BY-ELECTION IN PRINCE ALBERT

Mr. W.R. Thatcher: — Mr. Speaker, I would like to direct a question to the Premier before the orders of the day.

At the risk of being termed insensitive I would still like to know whether the government has made any plans for holding a by-election in Prince Albert? We feel the people of Prince Albert should be represented in this House as soon as possible.

Premier Lloyd: — Mr. Speaker, when the government has an announcement to be made it will be made, and it is not likely my hon. friend will be the first one to hear about it.

MOTION: RE UTILIZATION OF NATURAL RESOURCES

The Assembly resumed the adjourned debate on the proposed motion of Mr. Barrie.

Hon. A.G. Kuziak (Minister of Natural Resources): — Mr. Speaker, in rising to take part in the debate on the proposed motion by the hon. member for Pelly (Mr. Barrie) I would like to say that it would seem to me anyone sponsoring such a motion must either be

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absolutely ignorant of the extent of the management policies and utilization of the forest resources of this province or such a motion would never have been placed on the order paper. Mr. Speaker, I am, over the next few minutes going to point out that it is because or as a result of the Timber Board that greater encouragement and utilization of natural resources has been instrumental in northern Saskatchewan over the past few years; that it is because of the Timber Board that further additional employment was provided.

Mr. W.R. Thatcher: — Oh, Alex.

Hon. Mr. Kuziak: — And that I believe it is in the best interests not only of the people of the province of Saskatchewan . . .

Mr. Thatcher: — Spread that in the hustings, never mind it here.

Hon. Mr. Kuziak: — . . . but also of the operators in the north.

Mr. Speaker, Saskatchewan's forest resources as everybody else knows, when compared to the forest resources of the other provinces of Canada, are fairly limited.

The natural productivity of soft woods in Saskatchewan is only two per cent of the total for the whole of Canada, this was given by Professor D.D. Lay in the paper on the Potentiality of the Forest Resources given in Montreal this fall to the Resources for Tomorrow conference.

Now again I want to point out, Mr. Speaker, that any statement I am going to make, I am going to try and substantiate it by referring to authorities and to certain records, but the other day when the hon. member for Pelly (Mr. Barrie) debated on this particular motion all he did was make wild unsubstantiated statements without any regard for their validity or truth.

If you check further, the Dominion Bureau of Statistics for 1959 or for 1958 you will find that Saskatchewan actually produces less than one per cent of the total production of lumber in Canada, and the Timber Board's main operation is lumber. Could you class this as a monopoly when, for example, a corporation controls less than one per cent of the production in Canada?

Would you say this is a monopoly? If it is, then in glancing over the Dominion Bureau of Statistics I found for example, from the year 1946 to 1959, over the past six years, statistics show that the General Motors Corporation in Canada produced over 50 per cent of all the automobiles, therefore controlled 50 per cent of the production of the automobiles in Canada, and yet I have never heard the members to the left of you state that General Motors is a monopolistic corporation in the Dominion of Canada. If the Timber Board is a monopoly by controlling less than one per cent of the production of lumber resources, then General Motors must be fifty times the monopoly that the Timber Board is.

If you check the Ford Motor company controls 33 1/3 per cent of the production of automobiles. I glanced at life insurance, and I found out that the Sun Life Assurance Company of Canada in 1959, controlled 40 per cent of the life insurance in force in Canada. Are these monopolies? The Liberals never classed these companies as monopolies although they control forty, fifty, thirty per cent of the country's product, but the Timber Board which controls approximately one per cent or less than one per cent is in some way a monopoly. Therefore I want to say that that statement of monopoly with regard to the Timber Board is very foolish; it is absolutely misleading and utter nonsense by the members of the opposition.

The hon. member for Pelly (Mr. Barrie) stated, referring again to the Timber Board, their policy has been and it is to pay as little as possible to the producer, and to obtain the highest prices for these products from the consumer. Well let us check if this is true. If he had taken the time out to check the annual reports of the Department of Natural Resources he could have found the following information, and when I say check it he would have to check the records of the Department of Natural Resources prior to 1944, under the Liberal administration, as well as at the present time. He would have found out that as far as lumber products were concerned that in 1944 the annual statement shows that the lumber sold for an average of \$37.48 per thousand board feet, under the previous Liberal administration, when you had absolutely unrestricted exploitation of the forest of this province. They were selling it at \$37.48. If you check the annual statement or the annual report in 1961, this average rose to \$65.17 to be exact, or an increase of only 75 per cent.

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Now again I would like to refer the private enterprisers to some other records, by private enterprise. We know that the automobiles from 1944 to 1961 rose from approximately \$1,200 to \$3,600, an increase of 200 per cent, not 75 per cent. If you check farm machinery, farm implements, and so on, you will find too that farm implements over the past 16 or 17 years have risen by 200 per cent, and even better. If you check for example drugs, drugs have risen all the way from 200 to 500 per cent over that period of time, but as far as the selling price of lumber, it has risen 75 per cent, a very, very small increase. Therefore that statement that he made the other day is absolutely false.

Now let us take now an experience I had a number of years ago in the town of Canora. One of the lumbermen in Canora and I may say that when I talk of this lumberman, the hon. member for Pelly (Mr. Barrie) if he was in the House would know exactly who I am speaking about. This man operated in Saskatchewan, but he also operated in Manitoba, and I remember the time when he was very critical of the Timber Board yard at Sturgis, Saskatchewan. He told me he was able at that time to wholesale lumber high in Manitoba than he could retail the lumber in the town of Canora, because the Sturgis Timber Board yard was so close to it, and he had to hold down to the price of lumber that the Timber Board held it to at that time at Sturgis.

I want to say that only approximately ten per cent of our lumber from our wholesale yard in the province, that is the Timber Board yard is sold at retail, and I want to say that we hold these retail prices fairly low, and that is one of the reasons why we can hold these retail prices of timber or lumber in Saskatchewan fairly low, the extra cost of retailing out of wholesale years are low, and that is one of the reasons why we can hold these retail prices of timber or lumber fairly low. In fact I am going to say that the fact that customers come all the way from Estevan, from Weyburn, from Oxbow, from Assiniboia, two hundred and two hundred and fifty miles away, come all the way to Sturgis, come down to the Nipawin Timber Board planning yard and so on, is only proof that the price of timber must be reasonable. But the bulk of our lumber, 90 per cent of it, has got to be sold to wholesale houses in America, in Ontario, in Manitoba, in Saskatchewan, to contractors and to industry, and I want to say that the wholesale price of lumber is

determined by the main suppliers of Canada and America, and as I said a moment ago we produced actually less than one per cent of the lumber production of the Dominion of Canada, surely to goodness anybody with common sense knows that we could not hold the prices high. It is impossible to do it when you only control one per cent of the production. Therefore, I say again that statement of high prices is ridiculous, is untrue.

Mr. F.E. Foley (Turtleford): — What percentage of the production do you control in Saskatchewan?

Hon. Mr. Kuziak: — There again it is a very small per cent, some 30 per cent of the production that we sell by the Timber Board is sold in the province of Saskatchewan.

I am pretty sure some of the hon. members will remember what the producers in Saskatchewan used to get in the dark and dismal days of Liberalism prior to 1944.

The hon. member for Pelly (Mr. Barrie) was critical that we paid very little to the contractor or the operations in the forest. I am sure that he will recall the days prior to 1944 when the producers were selling rough lumber at approximately \$10.00 per thousand. I remember the time when the employees working for these operators for 25 cents an hour and even less, at the end of the season had to either take lumber or go without having their wages paid, when the markets were not too good.

Now what does the Timber Board pay the operators today? I want to point out that in 1961 the average payment to the timber operators of Saskatchewan, amounted to \$41.49 per thousand, lumber delivered to the year less timber dues. Since the average price, Mr. Speaker, I quoted a few minutes ago was \$65.20, or \$65.17 to be exact, the Timber Board therefore had \$23.71 to pay the following items: \$6 to the Department of Natural Resources, for dues, pay the planning costs, sorting costs, waxing and grading and selling. Mind you I want to say that is not too much left to make a profit on.

Mr. Speaker, I want to say that in 1961 we again made a study of spruce producers' prices in Alberta and British Columbia and again we found out that the operators

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in Alberta and British Columbia, in the same kind of lumber strands that we have in the province of Saskatchewan, were receiving an average of \$6 per thousand less than were the operators in the province of Saskatchewan, and I am going to say this is an established fact. I had the opportunity of meeting our operators in Saskatchewan over the past few years I gave the operators in Saskatchewan this information about how the operators are faring in British Columbia, and I want to say that some of the operators agreed, and in fact I had some of the operators tell me that the difference is even greater than that, greater than \$6.

Now the hon. member in speaking on this motion stated also that timber permits and timber sales would be granted if the Liberals got back into power, on a competitive tender basis open to everybody. Well I want to assure the opposition, Mr. Speaker, that I had offered this plan to the timber operators over the past two years, and I am going to tell you that they don't want it. They recall the days when they had this kind of bidding. They also are aware that this is the way some of the lumber resources in Alberta and British Columbia are handled. They know it is going to be the big operator who will be able to put down the cash on each one of these tenders, and the big operator will be the only one that will obtain the operation. We in the Timber Board down through the years have financed our small operators. They know if they went on their own they would then have to be financed by the bank. We know of some of the operations a year ago in British Columbia and in Alberta. These operators produced the lumber, then the market dropped and they had difficulty in disposing of the lumber, the bank got after the operator to pay up the loan in the bank, and they were forced to liquidate their lumber at \$25, \$30 and \$35 a thousand, and who picked I up, the big timber operators of British Columbia, and Alberta, who were able to finance it. They picked this lumber up and later made profit.

I want to refer again to another statement made by the hon. member for Pelly (Mr. Barrie). he said over the years there have been many operators forced out of Manitoba. Mr. Speaker, this is absolute nonsense. In fact if the hon. member had taken the time and checked certain records, he could have checked the annual reports for the Department of Natural Resources, and he would have found the following information. I have taken and

checked five years under the Liberals prior to 1944, and I will give you the number of operators that were in the forest of Saskatchewan at that time, or the number of sawmills licensed under the last five years of Liberal rule in northern Saskatchewan. In 1939 there were 332 mills, in 1940-41 they had 381 mills, in 1941-42 they had 374 mills, in 1942-43 they had 323 mills and in 1943-44 some 522 mills, or an average for the five years of 386.4 mills in the province of Saskatchewan.

Now, Mr. Speaker, let us look at the last five years of the CCF-New Democratic Party rule —

Mr. G.H. Danielson (Arm River): — Why not go back to 1944?

Hon. Mr. Kuziak: — If I go to 1944, the comparison is still good, but I took the last five years of the private enterprise Liberal rule and now I am going to take the last five years under the CCF. I will give you 1956-57 we had 435 mills licensed, in 1957-58 563 mills, in 1958-59 537 mills, in 1959-60 495 mills, and in 1960-61 the annual statement shows 510 mills, an average during the 5 year period of 508 mills. In fact, Mr. Speaker, we have today 121 sawmills more in Saskatchewan than we had under the Liberal administration.

Government Members: — Hear! Hear!

Hon. Mr. Kuziak: — Now let us have the truth, and give the public of Saskatchewan some truth for a change.

Mr. Danielson: — We are not getting it from you though.

Hon. Mr. Kuziak: — All he talked about was Manitoba — I really had to laugh because the hon. member for Pelly (Mr. Barrie) is right on the edge of Manitoba. He knows I could name him a number of Manitoba operators, operating in the forest of Saskatchewan, right in the Pelly area, and he knows this himself.

I am sure you people will recall, a few years ago here, when The Pas Lumber Company of Manitoba made an appeal to myself as the Minister of Natural Resources, to supply lumber from the Carrot River Valley to The Pas

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otherwise The Pas Company would have to close their operation in The Pas. I took the stand that the forest resources of Saskatchewan are going to be held for the people of the province of Saskatchewan, and we were not prepared to supply lumber to Manitoba people. The Minister of Lands and Mines at that time wrote me a letter, in fact I still have it on file, pleading to release some of this lumber for The Pas Lumber Company's operation in The Pas, Manitoba, so that industry could continue. We held the line, we didn't allow them the lumber, and I understand the company closed down because they had no timber resources in that portion of Manitoba. They had cut it out under a Liberal government similar to the government we had in this province prior to 1944, when they were in the process of hacking out the forest resources of this province, and therefore that statement is completely ridiculous, that some of the Saskatchewan operators have had to go to Manitoba. It is just the reverse; the operators from Manitoba, some of them have been operating in Saskatchewan.

Now going back to the resolution, Mr. Speaker, and the resolution reads, "To encourage the utilization of forest resources", and in his speech the hon. member offered to the farmers of fringe areas, the Indians and the Metis of the north and so on, unlimited production of lumber.

Well, Mr. Speaker, unlimited exploitation of forest resources was carried on prior to 1944, and I am going to remind this House of a statement made by the Hon. Mr. Patterson when he was Premier of the province of Saskatchewan, who prior to that time was also Minister of Natural Resources, and he knew the forest resources of the province. He gave his report to the special committee of the House of Commons on reconstruction and re-establishment in Ottawa on April 19, 1944 and here is what the Premier of this province had to say about the forest resources of Saskatchewan and I am going to quote it: — "Depletion of Saskatchewan forest resources has been rapid, particularly in the last ten years. If our present rate of consumption of timber continues, our virgin and mature stands of white spruce and fir suitable for lumber will be exhausted in ten years."

He made the statement that if we Liberals continue to hack out and massacre the forest of Saskatchewan as we

have done prior to 1944, in the next ten years there wouldn't be a stick left in the northern areas. They were at that time taking out approximately 170 million board feet. The moment we took over the government of the province in 1944, and after we had checked and taken inventory and stocks of the forest resources of Saskatchewan, we cut the timber production down to a sustained yield base of approximately 50 million board feet. In other words it is only approximately 50 million board feet of soft timber that we can take out, if we are to guarantee lumber resources to our children and our children's children, or in other words generations to come. I believe this was the right thing to do. This is what we did.

I want to point out that today in fact in the last two years, due to the fact that we have a salvage operation in the Squaw Rapids area, because the area is going to be flooded in the next year or so, we upped the production of soft timber and are producing today approximately 70 million board feet. We are producing actually today more than we should be producing, yet the hon. member for Pelly (Mr. Barrie) tells his farmers and people of his area, if we ever get back we will throw the forest open to the people of Saskatchewan, like we did prior to 1944. Mr. Speaker, those are absolutely irresponsible statements that were made by the member for Pelly.

Again I want to point out that we are today producing actually more than we should be producing as far as spruce and soft timbers are concerned.

Now the resolution states, "encourage utilization of natural resources", and I want to point out that the Timber Board has been accomplishing exactly this over the last 15 years. The Timber Board has promoted the use of pine and poplar lumber. Pine lumber production this year will reach approximately 7 million board feet, which is twice as high as last season's cut. Poplar lumber is being produced in larger quantities and the Timber Board is establishing markets through Canada and America, and I want to point out that poplar lumber is open for production to anybody, any operator can produce lumber out of poplar. They don't sell it themselves, they sell it to the Timber Board, and the Timber Board retails it throughout the Dominion of Canada, because it is an organized marketing system that is in touch with the demand throughout the whole of Canada and the United States of America.

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Furthermore we are encouraging greater utilization of natural resources; the fence post market for example was developed by the Timber Board and encouraged over the past few years. I want to point out, Mr. Speaker, the fence post production jumped from an average of 219,000 posts, an average under the last five years of Liberal private enterprise selling, post production jumped to 473,000 average, under the last five years of Timber Board selling. In other words the production of fence posts has gone up by over 100 per cent. The Timber Board I want to say too went all out to produce and sell power and telephone poles, another use of the forest resources of Saskatchewan, and may I point out that prior to 1944, under the old Liberal administration, most of the poles came from Alberta and British Columbia. I have checked the annual reports, and in the last five years of Liberal administration prior to 1944, they were producing an average of 2,300 telephone poles a year. The Timber Board has developed a market in Saskatchewan whereby in the last five years they were producing and marketing an average of 149,000 power and telephone poles, or an increase in utilization of 6,500 per cent, or 65 times the utilization that we had under the previous administration.

Government Members: — Hear! Hear!

Hon. Mr. Kuziak: — Mr. Speaker, other uses of forest resources by private enterprise has been encouraged both by this government and the Timber Board as a crown corporation. I want to point out that this crown corporation, the Timber Board, in 1957 commenced setting aside \$25 thousand out of the profits of the Timber Board to make a study and do research work in the possibility of greater uses of our poplar forest of northern Saskatchewan. If you will recall, Mr. Speaker, the Timber Board shipped some eight or nine cords of wood to London, England, to go through a particle board press, a particle board operation. I want to say they did a considerable amount of investigation and made possible finally a particle board industry in Hudson Bay, an industry that has been developed at a cost of approximately \$3 million. I want to say that the Timber Board aided this private industry. I want to say that the Timber Board too has been carrying on for some years a pole operating business in the Maple Creek area, but recently when a new industry developed in that area, developing a new process of treating posts and poles, the Timber Board sold their assets and their operation in Maple Creek to this new industry to help them establish themselves economically.

Therefore I say that not only is the government interested in encouraging private enterprise to come in and utilize our forest resources, but so is the Timber Board interested in encouraging private enterprise to come in.

I want to say that the Timber Board has not only encouraged diversification and the utilization of forest resources by its own private operators, but also in aiding private industry to come in. Therefore I am going to say this, that over the past number of years the Timber Board has brought about the following advantages for the good and welfare of the people of Saskatchewan, and the operators working for the Timber Board: (1) It has utilized and broadened the utilization of forest resources to a greater degree than ever before in the history of the province. (2) Saskatchewan Timber Board has encouraged other private industry to make greater use of our forest resources, (and I gave you a couple of examples of that). (3) The Saskatchewan Timber Board has made possible and orderly, well managed highly standardized lumbering industry in the province. (4) It has encouraged and developed more private producers of our forest resources than every before in the history of the province, (and I showed it by checking the annual reports in the past five years, and that we actually have 121 more sawmills licensed than we had prior to the time we took over). (5) The Timber Board has brought about economic stability to the private producer of our forest resource. (6) The Timber Board has always expanded its operations in times of unemployment to increase employment although it had to build up a large inventory.

The last two years we actually stepped up production in order to provide more employment for the people of Saskatchewan. Certainly, Mr. Speaker, private enterprise would never do this. They didn't do it in Alberta. The moment the lumber prices slumped many of the operators did not produce, but in Saskatchewan in the last two years although lumber prices have gone down, we increased production in order to provide more employment for the people of the province of Saskatchewan.

Government Members: — Hear! Hear!

Hon. Mr. Kuziak: — (7) The Timber Board has been instrumental in holding retail lumber prices in Saskatchewan at a very, very fair level. (8) The Timber Board has in good economic years made a profit. This has gone as a dividend to the people of Saskatchewan who actually owned the forest, and I say this is far better than having a large private enterprise

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firm such as The Pas Lumber Company who made profits, and took them over to St. Paul or Minneapolis in the United States of America.

Mr. Speaker, I am certainly going to oppose the motion. I believe that anyone voting for this motion is going to vote against the advantages that the Timber Board has brought about for the betterment of the people of Saskatchewan and the operators in the province.

I intend to oppose that motion.

Mr. A.R. Guy (Athabasca): — Mr. Speaker, we have heard again this afternoon the same speech that has been given in this House for the last 15 years by the hon. minister trying once again to support the Timber Board and the monopoly which they have in the province of Saskatchewan. He stated at the beginning that he was going to tell the truth, substantiate his statements by facts and figures. However, from his past performance I realize there is some doubt as to that statement, and because I would like to have some time to check these figures I beg leave to adjourn the debate.

Debate adjourned.

MOTION: RE PURPLE GAS

The Assembly resumed the adjourned debate on the proposed motion of Mr. McFarlane.

Mr. C.H. Thurston (Lumsden): — Mr. Speaker, I don't intend to take very much time this afternoon on this resolution as I gave most of my reasons a few days ago why I would not support this motion.

I gave as my reasons firstly that the farmers have never asked for special privileges, and they are not asking for them today. I gave too, that the amount saved for each farmer would be very little. I gave figures showing that the farmer has to drive many miles to use \$25 and \$20 worth of taxable gas. I stated at that time that the municipalities by resolution had turned down resolutions asking for tax-free gas for farm trucks, knowing as they do that they couldn't come to the government on one hand and ask for grants, and

on the other hand tell the government to cut down its revenue.

I wanted to remind the House that I thought the real saving to the farmers was in what we were doing in the license fees and insurance rates. I gave figures to show that taking Alberta with Saskatchewan, a one ton truck, if you had one accident in a year, your license plus insurance in Alberta would cost some \$88.92 and in Saskatchewan \$43.00, or a saving of \$45.00 and I suggest that would buy a lot a tax-free gasoline.

Mr. Speaker, I don't think there is much more I want to add to what I said previously, but I am sure that the municipal convention was held here since I spoke on it, and I am quite sure that if the municipal men had been very anxious to reverse the decision of 1960, a resolution would have been put forward at the convention, again asking the government to allow tax-free gasoline. Now, Mr. Speaker, with these words I think you will take it that I will not be supporting the resolution.

Mr. J.W. Gardiner (Melville): — Mr. Speaker, before the question is put on this resolution as seconder of the motion I would like to take the opportunity . . .

Mr. Speaker: — Order . . . this motion has been put, but I will allow you to speak. I have called for the question now and heard no dissenting voices so I am now in the process of taking the vote. As you may have misunderstood, I will allow you to speak, but I hope other members will be aware that I am extending a liberty at this time, because the motion has been put.

Mr. Gardiner: — Thank you, Mr. Speaker.

Mr. Danielson (Arm River): — I want to get a clarification of that ruling because it is a mystery to me. Mr. Thurston, the member from Lumsden adjourned the debate, and the resolution was then open for debate after him, what was it you said now?

Mr. Speaker: — If you will sit down I will explain it again for the members. When this motion was moved originally by

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Mr. McFarlane and seconded by Mr. Gardiner, then as Speaker I put the motion to the House, but instead of the vote being taken immediately the member for Lumsden (Mr. Thurston) got up to speak on the debate and adjourned the debate. But the motion was already before the House. At this particular time after he took his seat I asked if the House was ready for question, so that the House would be aware of what question I was putting I once again repeated the question, which was part of the process of taking the vote. However, this has been a delayed motion, there may have been some misunderstanding and I am prepared to allow the member to speak, but the question was actually being voted at this time.

Mr. Gardiner: — Mr. Speaker, I appreciate the opportunity that you have given through your ruling to say a few words on this motion. The speaker that just took his seat repeated the argument that he presented to this House in the address that he made on the day on which he adjourned the debate on this present resolution. However, in one of his arguments with regard to the rural municipal association, the hon. member doesn't seem to know that it was only after a threat by a minister of the crown that if this tax were taken off it would affect the grid road program in this province. It was only after that, that the members of the rural municipalities, with that threat hanging over their heads, refused to pass a resolution asking for the tax-free privileges in farm trucks. That was the only reason and I am quite certain that members sitting across the way were there, some of them were there and heard that very same thing.

And further, I think members across the way have met with the farmers' union this year. It is a group which is represented in their particular government and in the cabinet by the former vice president of that organization, and they haven't withdrawn the request for tax-free gas for farmers' trucks in this province, because I read their submission to the government for this very year, a submission which they also presented to the members of the opposition side of the House, in which they again repeated their request for this consideration by the government of this province. I would just suggest to the member for Lumsden (Mr. Thurston) that when he says the farmers have not asked for special consideration, that he must not consider the farmers' union of this province, as a farm organization representing the views of farmers in this province when he makes that statement, because the farmers' union have asked for this

consideration. Every year they have made a submission to this government for some time past now, and they did it while the present Minister of Education was their vice president, and he appeared before this government and asked for that very same measure himself.

Government Member: — What did they do with it last year?

Mr. Gardiner: — So when the member for Lumsden states in the first place that the rural municipal association did not request it at convention two years ago, and they haven't repeated it since, it was only because the government had said that if you ask this we are going to reduce your grid road program, and they thought if that was the case there wasn't much use in having relief on the one hand and having it placed back as a burden on the other hand by the government of this province, and of course there wouldn't be any relief if that were going to be the action that was to be taken by this government if they permitted the farmer the free use of gasoline in farm trucks in this province. So I think it would be only reasonable that the rural municipal association would refuse to pass that motion under the threat that had been made by the government of this province, that if that tax was reduced, the revenues reduced, they would then have to reduce the grid road program in this province. What would they have to gain?

Of course they were asking not for a reduction in services but they were asking for a consideration which I think everyone in this House feels is due the farm people of this province, that they be allowed to see gas in their farm trucks without tax, because the farm truck today is considered as much an instrument of production as the tractor on the farm, as the combine on the farm, or any other implement the farmer uses.

I think therefore it is only fair that we should request, not only because of the fact that the farmers have asked for this, but because of the fact that in years past the rural municipal associations have also asked for this, until the government told them that if they acceded to the request of the rural municipal association and farmers, they would then have to reduce the grid road program in this province, and so I say, Mr. Speaker, that I am very pleased today to have the opportunity of taking part in moving this resolution, which I agree with the member from Lumsden (Mr. Thurston) is not the entire solution to the farmers'

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situation. It may not even be a big part of the solution to the problems of the farmers in this province, but it is a beginning and it is a point from which we can start to help the farmers in relationship to the cost-price squeeze that he is in at the present time.

This government has refused time after time to take any part whatsoever in assisting the farmer in the problems he is facing at the present time. What this resolution asks and requests of the government is at least a beginning in the consideration of the problems that today faces the rural people of this province, and faces the primary producer on the farms in the province of Saskatchewan.

That is what this resolution asks. That is what the farmers have asked themselves. That is what their organizations have asked for. And we in the opposition side of the House have asked this government every session for some time now to give some tax relief to the people of this province, and this is at least a beginning and so I suggest that every member of this House who desires to assist, even if it is in a small way, the farmer in this province in the tax squeeze he finds himself in at the present time, should support this motion.

Mr. G.H. Danielson (Arm River): — Mr. Speaker, I haven't had much to say on this resolution and I just want to say a few words. As evidenced by the weak defence that the member from Lumsden (Mr. Thurston) put up against this resolution, he has a very weak case. The fact of the matter is this, he refers to the license and insurance paid on the farmers' trucks. I want to say, Mr. Speaker, that the government has never lost any money, either on the license or on the insurance on the farmers' trucks. That is one thing we are absolutely sure of. And that is that if all their licenses and all their insurance had been as profitable as this has been this province would be sitting on top of the world as far as finance is concerned. Rural people of the province of Saskatchewan have been subject to discrimination in regard to payment of truck and car insurance. The excessive rate paid by rural people has been used to pay the compensation caused by the reckless damage claims incurred by the city people, particularly the young and reckless element. I said that many years ago to the former Provincial Treasurer. He promised to prove it to me for three years that that

wasn't the case, and he never did he could not disprove my claim.

Now this government is known for taxation, they have piled every tax on the people and the farmers of the province, but particularly the farmers because they are not in a position to speak for themselves as the others are, and here is a tax on production. Mr. Speaker, if there ever was a tax on production it is right here. A truck on the farm today is just as necessary as the binder, or the drill, or a combine or anything else. There is nothing the farmer can do on the farm without the truck. I have seen them use trucks for coming to town; you don't need one if you have a car, but I say this, if you are going to complete your farming operation, deliver your products to market, and carry on as a farmer should carry on, a truck is an absolute necessity as a farm implement today, and when you place a tax on the farmer's production, then I think the government has gone as far as they possibly can. I don't think they can go any further.

They say they are interested in the welfare of the farmers; they cry tears over the farmers' economic condition wherever they are, wherever they go, but when it comes to anything like this, that has been requested, not only by the municipal organization in the province of Saskatchewan, except in the last two years, when they were threatened that something else would happen to them if they insisted on getting the tax on truck gasoline taken away, but the farmers' union right in this building two years ago, when we of the opposition had an opportunity of meeting them, we had them the other day too, a representation from the farmers of Saskatchewan, and what did they do, they kept insisting on the request every year, but evidently my friend over there doesn't consider the farmers' union as representing the farmers of Saskatchewan. They are so dumb, they have done everything they can, and they are going to hang on to every sickle they can squeeze out of farmers in spite of this fact that they have sympathized with them and cried tears over them, and at the same time they are continuing in the process of squeezing more and more dollars out of the farmers' pockets.

Mr. E.A. Johnson (Kerrobot-Kindersley): — Mr. Speaker, on this type of resolution the onus

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should be on the mover to prove his case, and the onus is not necessarily on those on this side of the House to indicate their case is faulty, and so far there has been no evidence whatsoever given that this motion is desirable. However, in spite of that I intend to provide some reason why in my own views, Mr. Speaker, this motion is undesirable.

One of the first questions that arises in this, can our Provincial Treasury dispense with this finance? At least the question comes up, is there another source of revenue that we could collect more easily and more fairly than this tax which members opposite wish to do away with? There has been no evidence that there is a better form of tax that is readily and similarly available. Another question we can raise is this, if we were to maintain expenditures and find another source, it would mean people who are not in the agricultural industry would be paying for expenditures that we the farmers would hope to be making, and this, Mr. Speaker, is a penalty on other industries in the province, and the question is, is this desirable? I contend that if we are trying to attract other industries to the province, we should not therefore penalize them.

Mr. Speaker, I also think this motion if it was acted upon would be unfair to a group of people in this province that needs help the most, and for this I invite members to examine these facts, that in the province there are approximately 100,000 farm units, and also there are approximately 80,000 some odd farm trucks. This indicates to me very clearly a good number of our farmers do not have a truck, and I am also familiar with the fact that a good many farmers have more than one truck. I submit this proposition, Mr. Speaker, that the farmers who do not have trucks now are those who are in the most difficult financial circumstances. This resolution would do absolutely nothing to help this group of farmers, and I contend, Mr. Speaker, they are in the greatest need of more assistance. This resolution if acted upon would also be unfair to the transportation industry. There are a number of delivery people in the small town that never set tire on a municipal road or public highway, and yet they also pay their tax. The member for Arm River (Mr. Danielson) protested that it was something to drain every cent out of the farmers' pockets, and of course this is the sort of nonsense he has particular affection for. This tax is one in which

the amount paid is proportional to the farm operation. It is also proportional to the quantity of product as it takes more gas to haul a heavy crop than a light, and this is self evident I think even to the members opposite, and therefore there certainly is a high degree of fairness in this respect.

Therefore, Mr. Speaker, I oppose the motion. I believe it would do nothing to help basically the agricultural industry and would not give assistance where it would be most needed. I oppose the motion.

Mr. W.J. Berezowsky (Cumberland): — I did not intend to add very much to this discussion, but when I listened to the debate on resolution I thought to myself that some members must think there are all kinds of animals on the farm, and so there are, but I can assure them one thing, there are not any dumb farmers, and if there are any dumb animals around, they can certainly be found some place in this House.

When I look at some of the records insofar as they pertain to the part of Saskatchewan in which I live, and which I want to quote, I find it necessary to point out the kind of assistance that is made possible to at least one municipality numbered 490, (and I could quote others). In the years 1960-61, because of the taxes that have been provided, much assistance has been received — the argument that we should start cutting taxes could only lead to a situation where the government would eventually become a police state, there would be no money provided for social services of any kind. I do remember that kind of a situation some years ago where there were no grants to municipalities, no grants to schools, except the minimum of \$1.50 a day or \$2.00 a day, where there were no services whatsoever. Under the Anderson government Mr. Speaker, I remember the budget at that time, if I could just refer to it, it was only \$12 million, and so, no services were available. Because we have the kind of tax structure that we have they are valuable source of money to help people who need assistance. This government has always provided assistance on the basis of equalization and as I said a few minutes ago if we look at these records, it is very obvious the kind of help this government is giving to my area where the people are underprivileged, quarter

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section and half section farmers. Here are some of the facts. R.M. 490 in the year under review only levied \$43 thousand in R.M. taxes, and yet spent for public works in that one year \$81,288 on rural roads and grid roads. On top of that if you will look at the records you will find they have a surplus of nearly \$4 thousand. It is obvious they couldn't spend \$85 thousand if they could only collect \$43 thousand.

Mr. A.H. McDonald (Moosomin): — What are you trying to prove?

Mr. Berezowsky: — I am trying to prove this, that on grid road grants were spent in the amount of \$32,520. In addition there were other grants, \$4,490 on page 247 and then equalization grant of \$1,031 on page 249, as shown in the 1960-61 report of the Department of Municipal Affairs.

The grants indicated here, and I just glanced very briefly and there must be other totals, \$38,041 to that one municipality, and if you took an average of the amount of licenses and all gasoline tax collected in that municipality for a year on not only trucks but on all the cars and all the trucks, and all the people who use taxable gas, I am sure the government wouldn't collect more than \$16 thousand or \$17 thousand a year.

Therefore here is \$22 thousand that it is possible to give a need municipality because of this system of taxation which we have, and when I hear the members on the opposite side arguing against the fuel-tax which is paid by people, I ask of the farmer just how much tax is he paying. Most of the time that my farm truck is used it is used on a road, and those roads have to be maintained. If I take seed to the farm or to the elevator, in fact I am using roads. If I haul grain I am using roads. The only time that I am using my truck in the farm proper is during harvest when one has to take grain from the combine to the elevator, and hon. members would want us to save a few cents of tax and lose this kind of an assistance from the government. Twenty-two thousand dollars or close to that figure to one municipality and I am quite certain in others it would be the same story. I think if anybody would support a motion like that he hasn't given much thought as to what this tax means to the farmer.

Opposition Member: — What about the farmers?

Mr. Berezowsky: — I am going to ask you some questions before the hon. member starts talking to me. I can tell him he should have been up there 30 or 40 years ago when we didn't have a single decent road.

Opposition Member: — I was there, I was there.

Mr. Berezowsky: — When this CCF government got in and started levying taxes on the people of Saskatchewan, we were able to get a fair deal, and so in the last 20 years or so we have been able to get decent roads and highways in that part of the country. You are not going to tell those people up there if you want to get votes from them, that you want to do away with this tax, because they are a lot smarter than some of the hon. members in this House and they appreciate the value of the gasoline tax in this economy.

Mr. Speaker, I shall vote against the motion.

Mr. A.H. McDonald (Moosomin): — Mr. Speaker, I am rather amazed at the speech by the hon. member from Cumberland (Mr. Berezowsky).

Government Member: — You are always amazed.

Mr. McDonald: — In view of the remarks that he made about the farmers in his constituency, how he ever got down here I don't know. The balance of his remarks are so ridiculous that I am not even going to attempt to answer them, but I think the member from Kindersley (Mr. Johnson) made some statements that ought to be answered, and the first one was when he said there was no evidence that this action was desirable. The rural municipalities have said it is desirable.

Government Member: — They have not.

Mr. McDonald: — They have so, they have voted in convention until such time . . .

Government Member: — Until they brightened up.

Mr. Speaker: — Order!

Mr. McDonald: — . . . as you and your delegates

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went there and told them that if they passed this resolution then their grid road grant would be cut, then they refused to pass it.

Prior to that it was passed, then also my friend who is always babbling in the back hasn't said one word in any debate in this session, when he stood on his feet. I think this gentleman has some ability to think sitting down, but he has no ability whatever to think standing up, and the rules of this House say that if one wants to take part in the debate, he should stand in this place, and I suggest if the hon. member wants to take part in the debate to do that, and I suggest that if he wants to get his indemnity at the end of this session he should stay in the House. He has only been here a very few days since the House opened.

Mr. E. Kramer (The Battleford): — You are a liar.

Mr. McDonald: — He has talked to his desk more than any other member in the House. He is commonly known as the Defender of the Faith, and I would now ask him to withdraw that remark.

Mr. Speaker: — The hon. member must withdraw that remark.

Mr. Kramer: — It is not true.

Mr. Speaker: — You must qualify it or withdraw.

Mr. McDonald: — Well here is the second man who sits on his seat and does more babbling. If you paid more attention to the road conditions of this province and said less when you are sitting down, and more sense when you are standing up we would all be better off, Mr. Speaker.

Hon. C.G. Willis (Minister of Highways): — I would like to hear what the hon. member . . .

Mr. McDonald: — Sit down and be quiet, Mr. Speaker, there is plenty of evidence throughout the length and breadth of the province of Saskatchewan that what this motion calls for is needed. Where are there a group of people who holler more about the cost price squeeze in which our farmers

find themselves by provincial action alone. But, Mr. Speaker, wouldn't we have a much stronger case when we are asking our senior government to do more for agriculture, if we as a provincial legislature in the largest farming province in Canada were prepared to do something ourselves. You will do nothing. On one hand they stand up and say, well this wouldn't mean anything to the farmers, he wouldn't save anything, but on the other hand you would think the treasury would go broke if they were to allow farmers to use purple gas in their trucks. Mr. Speaker, there is plenty of evidence to indicate that the actions asked in this motion would be of benefit to our farmers. Then my hon. friend from Kindersley (Mr. Johnson) says this would be a penalty on other industries. How can you impose a penalty on anybody by taking off the tax? I am amazed at the statement that comes out of the mouths of some people who sit opposite.

What about the grid roads. Well the grid roads were built for the farmers. Doesn't he realize that the farmers again have been discriminated against? The grid roads are used by all people in Saskatchewan, farmers included. Business men, professional people, everybody in the province of Saskatchewan, but, Mr. Speaker, the farmer was segregated out as a class that pays 50 per cent of the total cost of grid roads out of his pocket, and then he was segregated out again to pay his share of the other 50 per cent.

Opposition Member: — And all the maintaining.

Mr. McDonald: — Yes, and all the maintenance. Mr. Speaker, on every occasion this government has taxed farmers as a class more than any other class of people in the province of Saskatchewan. They have been segregated out and taxes imposed on them, and I think deliberately, Mr. Speaker, deliberately imposed on them for the reason that we may see later on in some legislation that is now before this House. Then he talks about 100,000 farmers in Saskatchewan. Where has this man been for the past ten years. We don't have 100,000 farmers in Saskatchewan to begin with, then he said there were 80,000 farmers with trucks. Mr. Speaker, there are just over 80,000 farmers in the province today, so according to his how figures they all have trucks. Then he talks about delivery trucks. Why it would be unfair to let this poor old farmer, including myself, use tax-free gasoline in my truck, but the delivery boy would

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have to pay taxes on the gasoline that he used in his truck. Does my hon. friend not realize that the delivery boy can do something about it on his truck? He is not selling his income under a board that sets a control price, he can up the costs of delivery. I can't put up the cost of my farm products. I have to take what people will give me. I have no opportunity of demanding more. I can demand it but I won't sell it. Yes the delivery boy is working under free enterprise and I am not. There is the difference.

Then I want to go to the member for Cumberland (Mr. Berezowsky,) Mr. Speaker, I think people in this province are getting a little sick and tired listening to his harangue that comes out of this gentleman's mouth two or three times a day. There is a vacancy in the cabinet, and he is obviously trying to get it for himself, and I think the more times he rises in his place, the less chance he has of ever getting it.

Hon. Mr. Brockelbank: — He has more chance than you.

Mr. McDonald: — Well he might make it in the next two years, but I would suggest even you won't be a minister after the ballots are counted in the next election. As a matter of fact I don't think you will even be in the building.

Opposition Members: — Hear! Hear!

Mr. McDonald: — My friend refers to the amount of money that was spent on providing services for this province during the days of the Anderson government. You know I used to be a Tory and I resent it. The tax-paying ability of the people of the province of Saskatchewan in 1944 was probably exceeded in that period 1929-1934, to provide \$12 million. But the tax-paying ability of the people of Saskatchewan today, to provide \$350 million is also exceeded, and if my hon. friend thinks it was possible to build roads, through the length and breadth of the province of Saskatchewan, with a total budget of \$12 million, two thirds of which was spent on direct relief to keep people alive, then he has holes in his head.

Mr. Speaker, this gentleman knows as well as I know that any government that has \$12 million to manage the affairs of the province of Saskatchewan and realizes the conditions in which the province found itself,

through no fault of the Anderson government, must be ridiculous. The tax-paying ability of the people of this province was exceeded to raise even \$12 million. And I suggest to you, Mr. Speaker, that if this government continues the tax level that we have arrived at today, you are going to force this province into similar circumstances in which we found ourselves in the dirty thirties, and you are the people responsible, you are the people responsible. My friend over there, the Minister of Natural Resources, talks about the lower taxes. This province taking into account the taxes that have been imposed since this government was elected in 1960, has the highest tax rate of any province in the Dominion of Canada.

According to the Dominion Bureau of Statistics the highest taxation, Mr. Speaker, of any province in Canada, the highest debt of any province in Canada, and amazed at the attitude of my friends opposite. The loss of revenue in giving up this tax on gasoline for farm trucks wouldn't interfere one iota with road grants. Not one iota. One can go through public accounts and in the first one hundred pages find expenditures that could be done away with without interfering with one service for the people of this province, and save more money than comes in from revenue from this tax on the gasoline that is used in farm trucks.

Opposition Members: — Hear! Hear!

Mr. McDonald: — There is no need to deduct the grant for grid roads to cut the expenditures of the highways department, and to cut the expenditure of any department, other than to take out waste and extravagance and slight grants to political friends. That is all.

Any member who stand up in this House and votes against this resolution has given fair warning that he is not concerned with the plight in which the farmers find themselves Any member who stands in his place and votes against this resolution should never open his mouth again about the cost-price squeeze. Here is the opportunity to stand up and be counted as men and vote for the resolution or stand up and vote against it and be a bunch of cowards. Take your choice.

Mr. H.R. Dahlman (Bengough): — Mr. Speaker, you know I don't mind listening to

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back benchers over there who get up and make an oration, but when the former Leader of the Opposition has made the oration that he has made, then I think it is time all of us get into his battle. He is doing his level best to try and convince the people of this province that a depressed agricultural industry is a normal one. What would he ever say about the cost-price squeeze on the top. In 1959 when 1,100 farmers and others went down to Ottawa for deficiency payments, supported by municipal associations and every farm organization, business men and everybody in western Canada, where was the Liberal party? Where were they?

The thing of suggesting, Mr. Speaker, that this gasoline tax is not doing any good, it certainly is. We have to build our grid roads. You have to make up your mind whether you want grid roads or not. You have to have money to provide them, and this is one way we can do it, and in my opinion it is a fair tax. We took off the public revenue tax and do we ever get congratulations from the members opposite, oh no, oh no.

You know I like men to stand up and talk a little common sense. Can't you be practical once in a while? The harangue from the opposition all the time, is very subversive in manner and purpose. This thing is all political you know. That is why they are bringing this resolution in.

Mr. J.H. Staveley (Weyburn): — What are you talking about?

Mr. Dahlman: — They are trying to make a political issue of it. I don't think the last speaker over there convinced himself. As a matter of fact he put a heck of a lot more into it than any member in this legislature was able to get out of it. That is all I am going to say.

Mr. R. Perkins (Nipawin): — Mr. Speaker, I certainly did not intend saying anything regarding this question of allowing purple gas to be used in farm trucks. I would however like to say a word or two from the standpoint of a practical farmer representing practical farmers in the district in which I live, and with your permission, Mr. Speaker, I would like to relate three or four instances that involve myself, as a farmer, in which measures that have been brought about by this government, from not only the tax referred to, this gasoline tax, but other acts that affect farmers.

I can name four things on our individual farm, that have been done by this government in the last year or years, that have benefited us a great deal more than the \$15 or \$20 or \$25 that it will cost us to pay the tax on the gas that goes into our one truck.

For instance, last fall a small bridge was put in by the grid road authority adjacent to our farm costing some \$2,400. Now whether this would have been done without the gas tax or not, I am not going to argue, but this money we all know and all the farmers in my constituency know must come from somewhere. That is one thing, that affected our farm. Every spring and it will this spring again with three feet of snow we have 300 acres of water on the farm, for three or four days while the snow is going. This bridge will earn us more than the amount of money we would save by not having to pay tax on gasoline that goes into our trucks.

I want to mention a saving that was made when we went in last summer to take home three or four pails of dieldrin to use in the control of cutworms in the early part of the season and later army worms, at a saving of about \$4.00 a pail, four pails amounts to \$16. Practically the same as we would pay in gas tax next summer, and exactly the same as we paid last summer.

I want to mention that the amount of veterinary fees that were saved on calfhood vaccination and the visit of vets to our farms. The grants that were given to our municipalities saved us over \$16 or \$20 that we would pay out by way of gas tax. I can name another figure and it is the last one I will name. If I had longer I could think of another four or five savings that are made by new measures brought in by this government. Much greater than what it is costing us to put purple gas in our trucks. I want to refer to the increased school grants that have been made.

Mr. W.R. Thatcher (Leader of the Opposition): — Mr. Speaker, is it in order?

Mr. Perkins: — The children, the thirty or forty children from our local school district benefit from the grant that comes from this government more than what we pay out in purple gas taxes.

I have named four instances and at least \$80,

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I think \$100 or \$150 have been saved me by this government. I as a farmer, and I am speaking for most of the farmers in my district, if they have to make a decision on whether they will have some of these benefits taken away by being allowed to save on the amount of gas which they put in their trucks, would, with me, vote against this motion.

Mr. D.W. Michayluk (Redberry): — Mr. Speaker, as a school teacher I think that I personally have the farmers and their economic plight at heart just as much as all hon. members sitting in this House.

Opposition Member: — I doubt it.

Mr. Michayluk: — There is no one that would like to have this privilege of tax-free gas granted to the farmers more than I would. However, when this resolution was placed on the order paper I went back home, and as I live in a small urban community I had an opportunity to discuss this with a number of farmers. What do farmers think of this resolution as it pertains to them? In every instance I was given to understand that the farmers that have the opportunity to drive or live near a grid road whether they live a mile from the grid road or two, they think this is a blessing as far as driving is concerned. Now in what respect? Some of the farmers say that prior to the building of the grid roads they belonged to the snow plough clubs. Each farmer living on a particular municipal road had to contribute toward the cost of ploughing the roads. Every farmer had to take a turn in snow ploughing these roads. Now a winter like we had in the north this year, hon. members can imagine what is happening to farm tractors, and those people who have to start and operate these tractors for road clearance alone.

Now hon. members will recall that at the 1960 convention of the Saskatchewan Association of Rural Municipalities this issue was brought before the convention, and what was the result? I maintain that this convention was a fair representation of rural people of the entire province. This convention rejected this resolution. They rejected it, and the basic reason I maintain, Mr. Speaker, was the fact that people living in the rural communities and the municipalities would prefer to see grid roads completed, because this means so much to the people living in rural communities particularly during winter months.

Now when this resolution was introduced in this House, the hon. member for Lumsden (Mr. Thurston) aptly pointed out what this government has done to assist farmers who own trucks, in regard to their license fee, and some of the privileges they enjoy which are not enjoyed by farmers using trucks in our neighbouring provinces.

Now I said at the outset, Mr. Speaker, there is nothing that would make me feel happier, but when I go back home to my constituency and hear from these very people that are so concerned, that they do not mind paying the tax until such time as the grid roads are completed.

Mr. Speaker: — It is my duty to warn the House that the mover is about to close the debate. If any member wishes to speak do so now.

Mr. D.T. McFarlane (Qu'Appelle-Wolseley): — Mr. Speaker, I don't want to take much more time of the House on this issue this afternoon. I realize it is one of the most important issues facing the farmers in the province today, and I am sure you must realize by now as members on this side of the House realize, and I am sure the farmers have realized all along, that when the chips are down, Mr. Speaker, and when there is ever an opportunity to do something for the farmer, the government to your right will be every means try and prevent the farmers of this province from getting a break. It was never more evidenced than by the speeches made this afternoon.

I am very happy, Mr. Speaker, that you were in the chair when all these speeches were made by the hon. members on the government side of the House, because after all they will be on the official records of the House, and I think the farmers in Saskatchewan are going to receive little comfort from statements made by members opposite. I am not going to deal with them all in turn, but I would suggest, Mr. Speaker, that the reason why the rural municipal men didn't see fit to place the resolution on their list of resolution at the annual municipal convention, was for the very obvious reasons, the very obvious demonstration we heard this afternoon, when the member for Bengough (Mr. Dahlman) got up and he slammed his fist on the table and said if the government repeals the tax on farm fuel the municipality will have to go

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without grid roads. Today, Mr. Speaker, that is the reason why the rural municipal men in this province have not asked the government, because they were threatened that they wouldn't receive any assistance whatsoever toward financing grid roads.

I was surprised at the member for Kindersley (Mr. Johnson), he got up and said not one person on the opposition side of the House had made any case for the removal of this tax. Mr. Speaker, when I introduced this motion to the House some three weeks ago I pointed out at that time, and I am going to refresh the memory of the members that municipal arrears of taxes amounted to over \$14 million, the arrears of larger school units taxes amounted to over \$8.5 million. That most sinister mineral tax arrears is over \$400 thousand.

Mr. Speaker: — Order . . .

Mr. E.A. Johnson: — On a point of order, may a member indulge in repetitive arguments and repetition of previous remarks?

Mr. Speaker: — A member may not quote verbatim remarks, but he may refer back to them, as long as he doesn't introduce . . .

Mr. Johnson: — These are the same arguments he made before, Mr. Speaker.

Mr. J.E. Snedker (Saltcoats): — No, no, sit down.

Mr. McFarlane: — Mr. Speaker, here is the significant thing since I pointed out the terrific taxes and the increases in the arrears of taxes, when I first spoke in the House, I have information since from this government, where now I have to correct the figures given to me a year ago. The deplorable part of the whole thing is that we find that the farmers are in a worse position now by way of information I received, that they were when I spoke just three weeks ago. Because I find out that rural power installation arrears have risen from \$3,681,000 to \$3,888,000 in that course of time, and I find that monthly arrears of money power accounts have risen from \$316,000 to \$450,000 as of the first of January this year. Almost half a million dollars, Mr. Speaker, and so I say

when the member for Kindersley (Mr. Johnson) says that no one pointed out a case, he is just trying to drag in a red herring or muddy the water. He didn't want the position of the farmer placed before the House at this time.

Then I was interested in some of the remarks made by members opposite. Some said this was an insignificant little sum. The Minister of Natural Resources said it was only a flea bite. What is this sum, Mr. Speaker? When the Minister of Highways took part in this debate he estimated that the saving would amount to between two to five million dollars.

Mr. Speaker: — Order! The Minister of Highways did not take part in this debate.

Mr. McFarlane: — Well, the Minister of Highways has stated this. He thought the figures were from two to five million dollars, somewhere thereabouts. Now I am going to challenge them, I am going to accept them, and I am going to point out that from two to five million dollars according to the member across the way, is an insignificant little sum, it is only a flea bite, two to five million dollars.

You know, Mr. Speaker, if that is the attitude of the government then they shall stand condemned by the policies of their own government, because their total vote for agriculture in the budget this year and past years only amounts to between six and seven millions of dollars. One million dollar difference. If it is a flea bite to give the farmers a saving of two to five millions of dollars, then it is only also a flea bite, and also an insignificant little sum, when all this government can see fit to give to agriculture to the farmers of this province, those engaged in the major industry of this province, only six to seven millions of dollars, therefore, Mr. Speaker, in the eyes of the people of Saskatchewan, the farmers in particular, they can stand condemned by their own words and action. They should hang their heads in everlasting shame that they would ever allow a situation like that to exist.

Opposition Members: — Hear! Hear!

Mr. McFarlane: — And I am going to point out to you, Mr. Speaker, from information we have at our disposal now, where some of

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this seven millions of dollars for budgetary expenditure comes from the hands of the farmers.

Mr. Speaker: — Order! I would like to point out to the hon. member that he cannot introduce any new material.

Mr. McFarlane: — Well the seven million dollar figure should be right then. All right, firstly two to five million dollars as you say is an insignificant little tax. The last few years alone the Minister of Mineral Resources has seen fit to extract from the rural municipal road allowances in this province an additional \$2¼ million.

Mr. Speaker: — Order! The hon. member is now introducing new material, which cannot be done. He is closing the debate and must refrain from introducing new material.

Opposition Member: — Certainly he can if he is answering arguments over there.

Mr. Speaker: — Order!

Mr. McFarlane: — The member for Kindersley (Mr. Johnson) said no case had been presented to back up our request. It has been a mystery to me, Mr. Speaker, and I can well understand why they didn't do it. There wasn't one member from the government side of the House got up and told you, or told the members on this side of the House, or told the farmers of Saskatchewan, how much money they extract each and every year from the farmers who are fined for using purple gas in their farm trucks. They have never to this date told the members on this side of the House or the people of Saskatchewan how much they extract on this one instance alone. There has not been one member from the government side of the House, Mr. Speaker, stand up and apologize to the farmers of Saskatchewan for the imposition placed on them when their trucks are confiscated and impounded . . . under the same type of legislation.

Mr. Johnson: — I would ask a question. Are you suggesting the farmers are more dishonest than other citizens?

Mr. McFarlane: — The farmers are the most honest people in Saskatchewan,

and if this government was as honest as the farmers are, Mr. Speaker, they would get away from this type of legislation and give the farmers a break.

Mr. Speaker, I think the argument was well put by the member for Moosomin (Mr. McDonald) when he pointed out the situation as it applies to the grid roads. I don't intend to go into that.

Other members have dealt effectively with all the arguments coming from the government side, but I would suggest that in view of the position of the farmers as I pointed out when I introduced this motion some three weeks ago, in view of the ever increasing disastrous economic circumstances the farmers find themselves in today, in view of the fact that the latest information we could get, the large number of farmers who find themselves in the position at the moment where their last resources are being spent in trying to buy feed and fodder for their livestock, where they are trying to truck it with their own trucks, rather than have other truckers bring it in for them, in view of the fact that they are down now after 18 years of socialist regimentation and legislation, to the point where their last available dollar is being spent in trying to preserve their livelihood by taking care of their livestock, in view of the fact that this government is going to give them no further concessions, and finally that this is the only government in the three western provinces that has seen fit to make the farmers pay this terrific tax on production, I urge the government to remove this tax. As I stated the Manitoba government allows the farmers to use tax-free gasoline in their farm trucks; the Alberta government to the west allows the farmers the same consideration. Mr. Speaker, they are placing themselves in the insignificant position where today in western Canada they are the only government, a socialist government, which sees fit to discriminate to an every increasing degree to those who provide the basic industry in the province. So, Mr. Speaker, I have the honour and the privilege on behalf of the farmers of this province, to move this resolution, and I sincerely hope even though some of the government members have spoken against it they will have a change of heart and do their best and see fit to support this resolution on behalf of the farm industry in Saskatchewan.

Motion negatived on the following recorded division:

YEAS — 16

Messieurs

Thatcher	Cameron	Boldt
Klein	McFarlane	Horsman
Batten (Mrs.)	Gardiner	Coderre
McCarthy	Foley	Snedker
McDonald	Guy	Gallagher
Danielson		

NAYS — 31

Messieurs

Lloyd	Wood	Perkins
Meakes	Erb	Thiessen
Williams	Nicholson	Snyder
Blakeney	Turnbull	Stevens
Brockelbank	Stone	Dahlman
Walker	Whelan	Michayluk
Kuziak	Thibault	Semchuk
Cooper (Mrs.)	Berezowsky	Kluzak
Strum (Mrs.)	Kramer	Peterson
Willis	Johnson	Broten
Thurston		

MOTION: RELOCATION OF RAILWAY LINES

The Assembly resumed the adjourned debate on the proposed motion of Mr. Peterson.

Mr. H.A. Broten (Watrous): — Mr. Speaker, before I adjourned the debate the other day my colleagues opposite covered rather fully any arguments that have to be considered, the cautiousness that has to be considered regarding rail line abandonment in the west. I think I can add another couple of arguments in support of this motion.

The abandonment of rail lines will add a certain cost to the farmer in that the farmer would have to haul his grain farther in most cases, and also his service centre would disappear in many instances, and therefore he would be forced to drive farther for his supplies.

These conditions will add to the cost of production and many more farmers will be forced out of business because of the high cost of production and the low price for grain. This in turn affects the small businessman in our towns and villages. Forty thousand farmers in Saskatchewan alone have been forced off the farm because of economic conditions. I maintain, Mr. Speaker, that this rail line abandonment should not take place under present conditions, especially when the purchasing power of a bushel of wheat and cereal grain is at an all-time low.

When we ask Sir, how low is the purchasing power of a bushel of wheat at the present time? If you take the history 1914 to 1957, according to the wheat pool pamphlet that was put out in 1957, it shows that the purchasing power has been lower than 1957 only four years, those years being 1930, 31, 32, and 33, in fact the purchasing power of a bushel of wheat was the same in 1957 as it was in 1933, and in 1958, 59 and 60, it was lower than it was in 1957. You will see that actually there was only three years, 1930, 1931 and 1932, when the purchasing power was lower than it is at the present time.

When one realizes the low purchasing power which wheat is because of the deflated dollar, the farmer is not getting for his wheat or sale of grain, sufficient from the domestic market or foreign trade, it isn't a time to change the picture of the prairie scene by rail line abandonment.

I would like to just clarify the cost-price squeeze and when one looks at the Dominion Bureau of Statistics figures regarding the price index of the things a farmer buys to produce his grain, or any product that he makes use of to produce, let us take the years 1935 to 1939, according to the Dominion Bureau of Statistics, and if you take the index, inclusive of living costs, remember Sir, it was 100 in 1935 to 1939, and by 1945, this figure had gone up to 123.6 and by 1960, it had gone up to 252.8, or an increase of 103.6 per cent in that period. Let us remember that wheat in the same period had gone down from \$1.64 in 1945 to the farmer to \$1.38 in 1960 — these are average figures that the farmer receives for a bushel of wheat in that period. Wheat has gone down from \$1.64 in 1945 to the farmer to \$1.358 in 1960 — when the cost index went up from 123 to 252 in the same period. In other words the price of wheat went down 26¢ a bushel, while costs have increased 103 per cent in the same period.

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Mr. Speaker, if wheat were to figure in the cost index since 1945, the price of wheat to the farmer would have to be astounding sum of \$3.34 per bushel. These figures are so startling that in many cases they can't be understood. I ask farmers, politicians, business men and all citizens to look in to these happenings on the farm front. It tells why there are so many ailments in our society and economic conditions including our railway problems. The time to judge patterns for rail line service is only after a long period of a close relationship between cost and income which we haven't had for many years. Also the proper income conditions would in all cases show a much different pattern of rail usage and needs than at present. I hope this will be taken into full account before permission is given to reduction in rail service.

May I also say Sir, that the MacPherson Commission suggest that railways be considered mainly as any other business in calculating needs to its use, etc.

May I say that the country was bound together by rail and steel at Confederation. I believe because of our peculiar transport problems we have in Canada that many factors have to be taken into consideration when contemplating rail line abandonment and rates. I think they should be clearly related to the thinking of the rail and transport policy of that period long ago, because many or all of the criteria which we went by is the same today. Mr. Speaker, what is needed today is more people to understand the full impact of lack of income to the farmers and how it not only affects himself as well as the railways, but how significant this lack of income to the Canadian economy as a whole. What we need Sir is an understanding people to grasp the needs and then solve the problem by definite action, and this may I add, must come from the federal scene.

I do support the resolution.

Mr. Speaker: — Is the House ready for the question?

Mr. R.A. McCarthy (Cannington): — Mr. Speaker, I would just like to add a few words. I am not going to take very long. I have a lot of sympathy with the resolution. During the last summer the C.P.R. removed 80 miles of track in my constituency, so I can assure you it wasn't very pleasant. On the other hand, looking at it in retrospect, I think we were probably to blame for some of it.

After all if you read the MacPherson Commission as I did, part of it, you realize that trains cannot run up and down the track for practice, and our gentleman over there said conditions have not changed. They have changed immensely, even our farmers are not using the railroads. Business men and everyone else are not using them. We have all gone to the use of trucks and of course, I have every sympathy with them, I just want to say this, that if they hope to keep their railroads, there is no sentiment in this railroad business, it either pays dollars or it doesn't, and if they want to keep their railroads, the most effective way they can do it, is use less trucks and more rails.

Hon. C.C. Williams (Minister of Labour): — Well said Ross.

Mr. McCarthy: — Good.

Mr. Speaker: — Is the House ready for the question?

Mr. L.P. Coderre (Gravelbourg): — Mr. Speaker, I want to say a word on this, Mr. Speaker, I can't altogether agree with my hon. friend from Cannington (Mr. McCarthy) . . .

Mr. McCarthy: — That's an Irishman.

Mr. Coderre: — . . . and I certainly don't agree completely with the MacPherson Report. I will agree with what has been said; that the cost will be an additional cost of operation on the farm economy, and also what I greatly fear will probably be a complete breakdown of our rural and urban communities. I think that is the very backbone of our economy and of our country.

Now I believe that the trucking industry has cut into the traffic of the railroad, but I think it is primarily due to the railroads themselves. When you are set up to provide the service you try to provide a good service, and I think the government, ministers of the government should pay particular attention to this. This is the danger of centralization, Sir. When centralization takes place, as has taken place in the railroads you sort of lose touch with the small branch lines. The traffic is there, the service was there, if the service had been there that traffic would have been used, but

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many of us were not providing the service we required throughout the thirties. On our line for example, we provided a good service and the traffic was there. Curtailment of service due to an argument that it was not paying was not altogether so. It was more or less trying to conform to wishes of people trying to get out of this, this unprofitable line.

Now I wrote to the railroad at that time when there was a suggestion of curtailing the service on our line, and I was prepared at that time to go ahead and take that line over on a rent lease basis from the railroad and they would not allow it. Putting on that line only a daily service that would provide express service, and passenger service, did prove that it would be economical. Now the argument I had from the railroad, rightly or wrongly so of course, is that their agreement with the railroad force, the working force, would not permit such an arrangement and I had quite a discussion with the western superintendent at that time, and he felt it could be handled on a daily service. They could take over the extra flow of traffic for the heavy freight. The point in this, the only thing I was trying to bring out, give more use to the government. What has happened to the railroad with specialization has been the curtailing of services to the small areas of our province, of our country, and the same attempt the government are going at right now in centralization will be the increasing of cost and curtailing of services.

I certainly agree with the motion, but I just thought I would mention the dangers of centralization.

Motion agreed to.

MOTION: UNEMPLOYMENT

The Assembly resumed the adjourned debate on the proposed motion of Mr. Stone.

Mr. E. Whelan (Regina City): — Mr. Speaker, when the hon. member for Maple Creek (Mr. A.C. Cameron) speaks in this House he receives the attention of the government benches, and many on this side of the House feel that members opposite made a mistake when they passed him up and chose another leader. His presentation is always enthusiastic, it is always forceful. He presents his outdated illogical Liberal policy with

enthusiasm. The member for Maple Creek was at his best when he spoke in the debate on this resolution for his presentation was weak and illogical and yet most enthusiastic. What did he say, Mr. Speaker?

Mr. L.P. Coderre (Gravelbourg): — Mr. Speaker, did the member for Maple Creek speak on this motion?

Mr. Speaker: — Yes.

Mr. Whelan: — Mr. Speaker, I beg to advise the member for Gravelbourg that he did. He rose before this House, holding out in his hand the front page of a Medicine Hat paper. The paper was alleged to have taken a poll indicating that the New Democratic Party members would support one of the reactionary parties in the next election. It is evident and has been clearly demonstrated beyond a question that the hon. member for Maple Creek (Mr. Cameron) does not realize that polls are used to mold public opinion. He does not realize, Mr. Speaker, that Harry. S. Truman, a former President of the United States, discredited, disillusioned, and deposited in the garbage cans forever the public opinion poll regarding elections. It is evident . . .

Mr. Coderre: — It is 2 per cent instead of 47 per cent.

Mr. Whelan: — . . . that the hon. member for Maple Creek needs more evidence if he is still doubting the purpose, the reason for and the inaccuracy of these newspaper-sponsored and politically-motivated manoeuvres, I remind him, does he not remember that some Liberal papers in the 1958 general election insisted that their public opinion polls indicated that the Liberals were going to be re-elected. Does he not remember that in election campaign after election campaign in Regina City, polls have indicated Liberal victory. Mr. Speaker, after the Harry S. Truman shellacking of Governor Dewey, and after the fantastic walloping of the Liberals in the last federal election, after the trouncing of the Liberals in the last provincial election, it seems to me it takes more nerve than logic to introduce this kind of an argument in a debate in this legislature.

Government Members: — Hear! Hear!

Mr. Whelan: — Mr. Speaker, the hon. member

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for Gravelbourg (Mr. Coderre) is a good friend of mine and he is well known to my family, but he proves when he speaks on unemployment that members opposite know little about the problem, if his arguments or his presentations are any measure. Terming the contribution of the government to unemployment as "lip service" the hon. member for Gravelbourg ignores and shrugs his shoulders, ignores the expenditures for building, winter works programs, highway construction programs, the construction of technical schools and institutes, the training of unemployed people, housing projects, senior citizens' homes, the construction of the Yorkton Mental Hospital, continued expansion of gas and power facilities, the Squaw Rapids and the South Saskatchewan Dams. These are all forgotten, all ignored, all swept aside under the heading of "lip service". Lip service, when dealing with unemployment, spendthrift tactics, when wooing the rank and file taxpayer, is typical of the Liberals, Mr. Speaker, typical of the policy of the members opposite, typical of their inconsistency.

Among the suggestions so boldly placed before the House by the hon. member from Gravelbourg (Mr. Coderre) was a suggested review of labour legislation, labour relations. He thought that we should have a good look at labour relations in this province and see if this is holding back employment, that perhaps we should create a good industrial climate. Mr. Speaker, we have some precedents and we have some fine examples; we have some wonderful evidence of what happens when you create the climate he is talking about and that he is hinting at; that he is suggesting as being conducive to employment.

Mr. Speaker, in the province of Newfoundland, Liberal Premier Joe Smallwood pulled down the fences and opened the gates and invited industrialists in; in Newfoundland they passed legislation outlawing a bona fide and democratically-formed union; they organized company unions and passed anti-labour legislation which brought organized labour in this country to political action.

Let us look at Newfoundland! Let us look at their unemployment! Is this the kind of labour legislation and labour relations . . .

Mr. Coderre: — Mr. Speaker, on a point of privilege, I believe that the hon. member for Regina City is attempting to misquote me. I said have a good look at labour relations with the

view of still maintaining projection for both labour and management. He is trying to imply that I said that the labour relations or any labour acts should be changed to comply similar to other provinces. I did not say that.

Mr. Whelan: — Mr. Speaker, I am just giving the hon. member for Gravelbourg a good example of the type of labour relations that exist in a Liberal province, and I was hoping that he would listen to me so that he would find out what sort of results you get regarding unemployment, when you have this kind of legislation.

Does this labour legislation develop industry and does it prevent unemployment? Well, if this is the answer, the Liberal answer to our problem, let me tell the hon. member for Gravelbourg that in the Liberal province of Newfoundland at this date the latest statistics available show, not seven per cent of the working force unemployed as is the case in this province, Mr. Speaker, the rate is 10.2 per cent of the working force, the highest rate of unemployment in this country, in this atmosphere, in this good industrial climate, in this area of good labour relations in a Liberal governed province!

Mr. Speaker, we have labour legislation that is progressive, that is supposed to have hurt us, that is supposed to hamper employment, I submit that the comparison that I have given contradicts this recommended Liberal solution.

Quebec too, has labour legislation, not as progressive as ours, I submit. They have Liberal government but what about their unemployment, and what about the figures in the province of Quebec? I would point out to this legislature and I ask the hon. member for Gravelbourg (Mr. Coderre) to take careful note of the fact, almost 8 per cent of the working force in the province of Quebec is unemployed.

I should go further and quote some even more embarrassing figures about the province of New Brunswick, but I can see the blushes of shame and I can read the embarrassment . . .

Opposition Member: — You must be lookin in a mirror.

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Mr. Whelan: — . . . and I can understand the mental discomfort of members opposite, therefore I shall refrain from describing the unfortunate situation that exists among the unemployed there, because they were foolish enough to elect a reactionary Liberal government.

Mr. Speaker, the hon. member for Gravelbourg talked about how the savings of thousands of little people were in the hands of giant insurance companies who had to reinvest their funds, and that we have restrictions on them. He said we should give them a certain amount of protection to invest, and I am quoting his very words: "Protection to invest". Let us look at this. Let me ask you, just what control does the investor have over a finance company whose directors in eastern Canada decide that a borrower should pay \$480 finance charges on a loan which, if borrowed in the same amount and for the same period from a credit union, would cost less than \$180. Yes, \$300 less from a credit union. What control does the little man who invests his money in an insurance company have over those directors who decide the interest rate, who decide the rate of exploitation, and the terms of these nefarious, outrageous contracts that are being opposed but not cured by the proposed, but never passed Senator Croll Bill. Surely, Mr. Speaker, even the hon. members opposite have some responsibility as Senator Croll suggests, to protect the public and to protect the investors from this double-edged sort of uncontrolled exploitation that cannot be explained away or excused by introducing the unfortunate plight, the relief fed and humiliated unemployed people of this country.

Frequently, Mr. Speaker, we are told about how the smaller communities in this country are getting destroyed, and how we are doing nothing to prevent this. Mr. Speaker, in the United States, south of us, the states have the same kind of people, the same climate, but a different philosophy of government. Has this philosophy kept the communities alive in the Dakotas for instance? The population of Saskatchewan has increased beyond the population of the thirties, but what is the situation in North and South Dakota where the terrain is a similar, where the climate is similar, where transportation problems are similar? According to the figures supplied by the Canadian Bureau of Census as of March 1, 1961, the rural population of Saskatchewan during the fifties has decreased 3.6 per cent. During the same period, 1950-60, the rural population of South Dakota had decreased 5.2 per cent.

Mr. Speaker, I point out to members opposite that the government they have to the south of us is the kind of government that they approve of.

What are the over all figures of the state of North Dakota? In 1931 the population of North Dakota was 680,845 people. In 1961 the population of the state of North Dakota was 632,000, in other words 50,000 below the 1931 figure. In the state of South Dakota in 1931 the population was 692,000 and in 1961 it was 680,000, still 12,000 below the 1931 figure. In the province of Saskatchewan over the same period the population increased by approximately 80,000. In other words where the climate is the same, where the terrain is the same, transportation problems the same, this province has a progressive policy that has increased the population over the 1931 level. The two states immediately to the south have not been as effective in this regard.

As a cure for unemployment, members opposite urge us to assist private enterprise. The members opposite are the same members that have been questioning the idea of the steel plant and yet we are perhaps the only government in Canada that has underwritten industry to the extent that we have. The biggest industry of all is the steel plant and what has been the results. All of us know, all of us agree that a basic industry is needed in these prairies. Good, we say, wonderful, let us have the government back it. This is the kind of basic industry that we underwrite and what is the result? The members opposite have annoyed some of their own friends who have money in this great plant by doing everything in their power to create suspicion and discredit the operation of this plant. Most people in this city know that certain investors who are sympathetic friends of the Leader of the Opposition took him to the woodshed and gave it to him Mammy Yokum style in order to put the damper on this damaging statements regarding this necessary industry.

Mr. Speaker, the hon. member for Gravelbourg (Mr. Coderre) rises in his place and standing up in all his innocence suggests that we should help industry. What more could we do, what more could we have done to underwrite employment than to underwrite a basic industry in this country? Did it get the government the kind of approval it deserves? Did it get the kind of support it deserves?

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I know I am sure members on this side of the House know that in spite of all the pious eulogies on behalf of free enterprise, members opposite would sacrifice industry for political gain regardless of the unemployment picture. In view of the record as recent as 1957, in view of the historical evidence, solutions for unemployment presented by members opposite are as thin as cob-webs, as concrete as cornstarch pudding and as elusive as a handful of smoke.

Mr. Speaker, I have merely tried to point out the inaccuracies, lack of logic and the unsubstantiated recommendations so blatantly presented for our consideration by members opposite.

Mr. Coderre: — You don't believe that yourself.

Mr. Danielson: — He didn't write it.

Mr. Whelan: — What is our solution to employment? Concessions to industry, of course. Certainly winter works too, but if we needed the assistance of all the financial resources of this country to build pipelines, and if we needed the financial resources to build cross-country railways, if we needed the financial resources of this country to build giant waterways for lake freighters, if we needed the financial resources of this country to build T.V. stations, if we needed this financial resource to build highways, I suggest humbly but sincerely that it is far more logical to utilize, beginning tomorrow, and regardless of the outcry from the members opposite, far more logical and far more necessary to use the financial resources of this country to guarantee jobs for our citizens. We must arrive at a stage in our reassigning as a nation and as a people that we will say to the unemployed everywhere, we think you are the most important resource that we have and that we are going to organize this country for you, that we are going to mobilize the financial resources, we are going to give priority to economic operations within our country and that before guaranteeing anything else we will guarantee the people who own this country, the people themselves, jobs.

This resolution talks in terms of approaching the federal government, of economic planning to accomplish our objectives. This particular reference in the resolution, asking the federal government for economic planning is a futile approach and like a drop of rain on

the desert, unless we have the kind of government that will carry out the policy that is enunciated in the resolution. When you realize that the government in Ottawa is by patch-work and by ineptitude, and by lack of planning, keeping unemployed figures at a static high, when you realize that the federal government, the previous federal government, which was supported by the members opposite, was beaten in 1957 and thrown headlong in 1958 because it had allowed the unemployment situation in this country to rise to astonishing and record heights, when you realize that these two governments, reactionary, stubborn, and unrealistic, had allowed this kind of situation to develop in a country that is screaming for development, you realize how futile a reference in this resolution is if either of the old parties hold office at Ottawa.

Mr. Speaker, in view of their record, to have the members opposite talking in terms of curing our unemployment is as futile as saddling a dead horse and announcing that you are going to win the Queen's Plate. Mr. Speaker, to suggest that you are going anywhere with either of these old parties on the road to curing unemployment is as ridiculous as entering a car in the Indianapolis Speed Way that has a burned out main bearing. As I pointed out in a similar debate last year, we are a small factor in the federal employment picture. If we were to build five South Saskatchewan River Dams and if we were to build millions of dollars worth of housing in the province, unless this activity is coordinated with every other province in this country, Saskatchewan would have all the unemployed people from Canada moving here for employment. We have neither the resources nor the population to underwrite this kind of project on a provincial basis.

Mr. Speaker, as was so ably pointed out by other speakers on our side of the House earlier in this debate, there is only one cure, there is only one answer: the election of a socially motivated government; there is only one cure and that is the election of the democrats federally.

Mr. Speaker, I will support the motion as amended.

Hon. C.C. Williams (Minister of Labour): — Mr. Speaker, the resolution, proposed by the senior member for Saskatoon (Mr. Stone) deals with one

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of the most important questions which confronts the government of Canada and confronts the government . . .

Mr. Speaker: — Order, this resolution gives me a little bit of difficulty. There was the resolution and the amendment, the last speaker was dealing with both, if we are dealing strictly with the amendment then we must stay to the amendment. I realize that they are both tied closely together so would it be the wish of the House if I consider that they both be discussed at once, both the amendment and the motion.

Hon. Members: — Agree.

Mr. Speaker: — You may proceed then. It is agreed.

Hon. Mr. Williams: — Mr. Speaker, the resolution proposed by the senior member for Saskatoon, deals with one of the most important questions which faces the government of Canada and the governments of all provinces. As I have stated on various occasions, the number of unemployed in Saskatchewan this year is slightly less than what was recorded a year ago. Nevertheless 27 thousand unemployed is still too high a number for our province. We cannot ignore the unemployment problem, hoping that if we do nothing the people will go away by themselves — that is no solution. As a matter of fact, the government of Saskatchewan has always been in favour of a national policy of full employment. At the national winter employment conference which was held in Ottawa in the summer of 1958, I pointed out the need for the federal government to provide loans with the lowest possible interest rate for financing housing construction so as to stimulate employment. Likewise, I pointed out the need for opening up more access roads, in conjunction with the job creating program and the need of providing trade training for unemployed workers.

Following this conference some months later, we were pleased to learn that the government of Canada had decided to introduce as of December 1st, 1958, a winter works incentive program in which provincial government and municipalities could take part. Under pressure from public opinion the federal government has continued and expanded its program in subsequent years. Each year the government of Saskatchewan has availed itself fully of the opportunities offered by this program.

You all know that we have paid 25% of the direct labour costs of all approved municipal winter works programs, municipalities thus have to pay on 25% of the direct labour costs of such projects, the remaining 50% being paid by the federal government.

If full employment were something the provincial government could legislate about without reference to the rest of Canada, we would have done that a long time ago. In matters which fall exclusively under provincial jurisdiction Saskatchewan does not wait for others to show us the way: Our Hospital Services Plan, a pioneering venture which was later on copied by others and is now a nation-wide institution; our government insurance offices is another pioneering venture of which we have reason to be proud; our labour legislation is the best in Canada and provides the wage earners with reasonable standards of wages, hours of work, holidays, workmen's compensation and so forth.

We are fully aware too, that in the age in which we live, with the advent of automation, manual jobs are found to become fewer, while the need for skilled workers, technicians and well educated people in general is increasing. We are told that about 70% of all jobs in Canada today are of a professional semi-professional, technical or skilled nature. In order to provide needed technical training for the young people of this province, the provincial government, as you know, Mr. Speaker, established a technical institute in Moose Jaw, which was officially opened in January 1961. Additional training facilities will be provided with the creation of new institutions for technical education in Saskatoon and Prince Albert. Even the Leader-Post in an editorial of October 25th, 1961 had to admit in this connection that the government of Saskatchewan through its vocational training plan had given, and I quote, "clear proof of a governmental step of social responsibility". Of course, a great step forward in improving the qualification of young people in Saskatchewan was made with the change of the status of Regina College, which is now part of the University of Saskatchewan with rights equal to those of the Saskatoon Campus.

All these measures will undoubtedly help some people find employment. We know that full employment cannot be attained on the provincial level alone, it has got to be on the national level and this requires a positive policy on the part of the federal government. We in Saskatchewan are doing all we can to increase the number of jobs; the number of man days of 2.1 for

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non-agricultural wage earners, created in Saskatchewan under the winter works incentive program is the highest in Canada.

The resolution proposed by the member for Saskatoon (Mr. Stone) expresses the grave concern of the government of Saskatchewan at the growing threat of high and permanent unemployment. It urges the government of Canada to undertake immediate projects and economic planning to provide full employment. The need for more job-creating projects in Canada is a crying one. We would like to hope that the government of Canada will recognize this need as a permanent one and that it will use its power and its resources for a speedy elimination of unemployment.

The employment situation in Saskatchewan is not as good as we might have liked, although at the beginning of February this year the number of unemployed was somewhat below that of what it was a year ago. We still have approximately 27 thousand people without jobs. The drought of 1961 has aggravated the unemployment problem in the province. The poor crop has drastically reduced the cash income of our farmers and this had had unfavourable repercussions on the amount of employment in our business and secondary industry.

Apart from the general economic recession, there are several factors which contribute to make unemployment a grave problem in Canada. Our population is growing and we need more jobs to keep it employed, our people live longer than they did 50 or even 25 years ago. This means that we must have a greater number of needs for new jobs in order to accommodate the young as well as the older people.

Mechanization of Canadian agriculture is another important factor. As a result of farm mechanization many people leave the farm every year and move into urban centres where they hope to find employment in industry. Furthermore, as a result of automation the need for manual and semi-skilled labour is decreasing in a number of industries.

The government of Saskatchewan has taken measures to increase the number of jobs, particularly during the winter by introducing programs which are well known. Government construction and repair work has been reserved so far as possible for the winter months. During the past three winters this policy has provided work to

approximately 1,466 men. We are pleased with these results and intend to continue this policy. However, the most important measure taken by the government of Saskatchewan with a view to creating work is its participation in the winter works program. According to the latest information received, the number of applications for winter works that have been accepted as of February 23rd was 1,004 against 692 a year ago. The provincial share of the direct payroll, cost of these projects is estimated at \$954 thousand as against \$684 thousand a year ago. The number of man-days of work created by municipal winter works program in Saskatchewan this year is estimated at 322,700 as against 194,000 a year ago. Considering the size of our labour force Saskatchewan occupies the leading place among the provinces with respect to winter work projects. As a matter of fact, the number of man days of work created for industrial workers in Saskatchewan is approximately 2.1, in Quebec it is 1.6, in Alberta 1.4 and still less in the remaining provinces. This shows clearly, Mr. Speaker, that we are making very good use of the existing opportunities we have to provide winter jobs.

In discussing the unemployment situation in Saskatchewan we must not forget that during the last eighteen years our industrial labour force has increased considerably. The results of the census taken last year are not yet available to us. However we estimate that at the end of 1961, there were approximately 179 thousand non-agricultural wage earners and salaried employees in Saskatchewan. In 1944, this number was less than 126 thousand, consequently we have an increase here of around 60 thousand. It is also significant that today some 70 thousand persons are employed in larger establishments, that is to say establishments employing fifteen persons or more. A number of years ago this was less than 50 thousand. In mining alone we have today over 3,000 workers against a few hundred just eighteen years ago. I should also point out that between 1944-60 labour union members in Saskatchewan have increased almost three times, from less than 17,000 to almost 49,000. Through collective bargaining these workers have been able to achieve substantial wage increases of themselves and indirectly for most wage earners in the province. More purchasing power has been made available to the residents of Saskatchewan in this way. This money which has largely been spent on food, clothing, shelter, recreation and so on has meant a greater volume of business to Saskatchewan business men. It has stimulated production

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in our industrial establishments and this has created a larger number of jobs than would have otherwise been available. It is not surprising therefore, Mr. Speaker, that we have done remarkably well in the field of labour-management relations. Thus, in the course of 1961, strikes and lockouts in Saskatchewan has resulted in the loss of approximately fourteen minutes per non-agricultural wage earner as against 110 minutes for Canada as a whole. We have reason to believe that Saskatchewan would have made greater economic strides if the federal government had had a full and consistent policy of economic development for Canada as a whole. In discussing the employment situation in Saskatchewan it is important to bear in mind that unemployment exists everywhere in Canada from Newfoundland to Vancouver Island. As in the past, Mr. Speaker, the government of Saskatchewan would be pleased to co-operate fully with any program or plan which the federal government may initiate with a view to combating unemployment in the summer as well as in the winter time.

Mr. Speaker, I will support the motion.

Mr. B.D. Gallagher (Yorkton): — Mr. Speaker, during the course of this debate we have heard a lot of rambling and raving from the other side of this House. I am sure that all members of this House are concerned about the problem that is mentioned in this resolution:

“That this Assembly gravely concerned with the growing threat of high and permanent unemployment request the government of Saskatchewan to urge the government of Canada to undertake immediate projects and economic planning to provide a condition of full employment in Canada and so on.”

I think after listening to members on the other side of the House, and I believe there was one whole sitting devoted to this resolution, one conclusion that I have come to after listening to five or six of them the other day, some of them spoke for as long as thirty minutes on this resolution, if the people to your right, Mr. Speaker, were very concerned about the unemployment after spending anywhere from two and a half to three hours speaking on the motion they would have come up with some concrete proposal to solve the unemployment

problem in this country. These people have been talking the same for years. They can quote figures all they like, but they have never, to date, given us any sound assurance that they can do anything to relieve the problem of unemployment in Saskatchewan or in Canada. One of the things that I thought was significant in listening to them from the other side of the House, significant because they left it out, was the fact that since 1957 this country has had more unemployment than any time since 1940. Of course, a great deal of the reason for this increase in unemployment in Canada since 1957 is because of the fact that we have had a different government in Ottawa between 1957-62 to what we had before. I suggest at this time that as much as all of us are concerned about the unemployment to see that we have as close to full employment in Canada as possible, that all the economic planning in the world is not going to solve the unemployment problem when we have a government in power in Canada that follows along the policies that the present Diefenbaker government does in regards trade policies and fiscal policies.

Ever since this government came into power back in 1957 we have seen the rate of unemployment growing in this country and I can well realize, I might warn my friends on the other side of the House that I am going to support this motion, because I am just as concerned about unemployment as they are, but I can well realize why they would suggest a program of economic planning because they believe a lot in planning so I think most governments do the planning themselves, the people of the other side of the House realize of course that there are not enough brains in the government, that you must hire your plans and I am going to suggest at this time that hiring a bunch of highly paid, long-haired planners is not going to solve the unemployment problem in this country.

One of the suggestions made from the other side of the House was that if government would take on more public works programs that we would provide a lot more jobs and I would like to say at this time that no matter how much a provincial government or all the provincial governments in the country and the federal government try to provide through public works jobs, they are not going to solve the unemployment problem completely. It is just a stop gap, something like the boy who put his finger in the hole in the dike to stop the country from flooding. It helps for a little while but it doesn't help for very long.

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There was a statement made by the junior member from Regina (Mr. Whelan) I believe, in comparing the number of people that were unemployed in the Liberal province of Newfoundland, I believe that he said there were 10% of the people in Liberal Newfoundland who were unemployed but he didn't say, this is something that I think these people have been engaging in at all times and debates in this House, that this included all the fishermen in Newfoundland.

In Saskatchewan, when he gives the figures for Saskatchewan he doesn't say that at least 30% of the farmers of Saskatchewan and farmers in Saskatchewan are in the same category as fishermen in Newfoundland, that at least 30% of the farmers of Saskatchewan are unemployed in the winter time and so if he is going to give this kind of a comparison or this percentage figure for Newfoundland, let's have the same kind of a percentage figure for Saskatchewan. Something that hasn't been mentioned by any of the members from the other side of the House and they have been gloating over their accomplishments in this province, something that I think that they should be reminded of, the fact that since they got into power in this province in 1944, the working population of this province has gone down or at least the total population of Saskatchewan has not risen and one of the causes of more unemployment in British Columbia or in Winnipeg in Manitoba or in Ontario is because there has been an influx of people from Saskatchewan to these other provinces of Canada.

Now it is significant that something must be wrong in Saskatchewan when people leave Saskatchewan and go to other parts of Canada to look for jobs and I think that the people on the other side of the House who have suggested this resolution should start to clean up their own house before they start telling the federal government or anybody else what should be done to provide jobs for the people of this country. I think that the main solution to the unemployment problem in Canada is the rise in the amount of money that is going to be invested or the government's inducement to have people invest in capital expansion in this country. We have noticed that during the last five years, since the Tories took over in Ottawa, that people are not investing in this country at the rate that they would need to invest to keep the gross national production of Canada growing at 7 or 8 per cent which figure I think the gross national product must grow if we are going to employ all of the workers of this country.

One of the biggest evils in the province of Saskatchewan, and one of the things that socialists across Canada have been doing, one of the reasons that I say that they have contributed to unemployment is the speeches that we hear from members from the other side of this house, members to your right and particularly I am going to mention the junior member for Moose Jaw (Mr. Snyder) also the member for Cumberland (Mr. Berezowsky) the other day when he was taking part in this debate, they deplore anybody who makes a profit, and, Mr. Speaker, this country was built on the profit motive and as soon as these people who sit to your right realize that people won't work, people won't invest, people won't even farm, unless there is a hope of a profit, we're not going to solve unemployment in Canada.

They will get up with financial statements to show where some particular corporation has piled up millions and millions of dollars of profits and then they expect that these corporations are going to provide jobs to people in Saskatchewan. They never say that 50 per cent of the profits of these corporations are going into tax revenues, in the way of corporation tax to provide social services for the people that work in the corporations. I think that the people to your right, Mr. Speaker, are doing a disservice to the working people of Canada by getting up and raving and ranting about the profits that are being made by corporations in this country. It is the investment of individuals whether they be labourers, professional people or farmers, the investment of these people in companies or corporations that makes these corporations or companies grow to provide jobs for people who are looking for jobs in this country.

I might say at this time, Mr. Speaker, that one of the causes of unemployment in this country, something that has been fostered by people to your right, by socialists all across this country, for the last twenty years, is some of the political speeches that they have been making, telling the people of Canada that we should have an easier way of life. I think that we are all agreed, we shouldn't go back to the horse and buggy days, but the people who built Canada were not the people who were afraid to work. As soon as the politicians, the socialist politicians in Canada quit trying to leave the impression in people's minds that the country owes them a living but rather that those people owe something, that they must make some contribution to their country, the more of those people there will be who will be gainfully

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employed and not living on social aid.

Before I sit down, Mr. Speaker, I should say first of all in connection with a remark made by the member for Cumberland (Mr. Berezowsky) he was condemning free enterprise as being the cause of unemployment in this country and along with condemning free enterprise he was condemning the Canadian Chamber of Commerce. As long as we have people in the government, whether they be in a provincial government or any other government, who will get up and condemn the many members of business in this country, many of them small business men who belong to the Canadian Chamber of Commerce . . .

Mr. Berezowsky: — The hon. member is putting words in my mouth, I said the Canadian Chamber of Commerce and I didn't talk about the chambers of commerce across the land, and I am not going to accept that.

Mr. Gallagher: — Mr. Speaker, when the gentleman said the chamber of commerce, he must realize . . .

Mr. Berezowsky: — I did not say the chamber of commerce, I said the Canadian Chamber of Commerce was carrying on this campaign of something or other.

Mr. Gallagher: — Mr. Speaker, I hope the hon. gentleman realizes that there is a connection between chambers of commerce and the Canadian Chamber of Commerce.

Mr. Coderre: — He doesn't know the difference.

Mr. Gallagher: — What I started to say before I was interrupted, Mr. Speaker, was that when you hear people from the other side of the House condemning organizations or condemning people who are in business because of what they are doing when actually they are trying to expand this country trying to provide jobs, you can't expect that here in Saskatchewan these people are going to invest their money to provide the jobs that are so necessary for the people of this province.

The amendment to the motion proposed by the member for Gravelbourg (Mr. Coderre), Mr. Speaker, I think would do a great deal to help provide jobs for the

people in Saskatchewan I think it is significant in the last three or four years and especially the last year since the oil companies have started moving out of this province, since major industries have been developing in the provinces beside us, that something must be done here in Saskatchewan to try and encourage industry that is going to provide jobs for the people of Saskatchewan to come into this province and the suggestion that this government establish a tax-incentive program to encourage a greater establishment of industry thereby creating jobs for unemployed people in Saskatchewan is one that should be given the support of all members of this House and the other suggestion, Mr. Speaker, to consider a reduction of industrial power rates, I am sure that if the people who are sitting to your right are actually concerned with getting people to bring industry into this province, they will give their support to this other part of the amendment.

I am very happy to say that I am going to support the amendment, Mr. Speaker.

Hon. J.H. Brockelbank (Minister of Mineral Resources): — Mr. Speaker, I would just like to say a word or two on this motion and amendment. First of all I would like to remind my hon. friends in this House that the Rt. Hon. Louis St. Laurent about six or seven years ago now in Quebec made a speech in which he said that in effect it is the responsibility of the federal government to so manage the economy of Canada that the working people, the people of Canada can get employment. People took him at his word and because he failed to so manage the economy that people could get jobs and we were getting more and more unemployment they kicked him out in 1957 and certainly rejected them in 1958.

So the first part of the resolution recognizing that the great responsibility, the real responsibility for the economic condition of the country is a federal one is established on fairly good authority.

Mr. Speaker, I want to say a word or two in regard to the amendment, first in the suggestion that there be consideration given to a tax incentive program. Actually this has been done for a good deal of time. A year ago we put into effect new regulations which provided for a three year holiday on mining tax on new mines and I believe that this is the only province in

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Canada that has that provision. Mining property in the north of the province is exempt from taxation until production and then it is a controlled rate of taxation; they pay a lesser rate. This has been true in the past, both in the Flin Flon area and in the Uranium City area, less than the average rate paid by the other residents of the area.

Oil royalties are less in Saskatchewan and have been less in Saskatchewan than Alberta for a long time and in a great many cases they are less than the royalty in Manitoba. Alberta has now announced that they are putting into effect an increase in oil royalties which will commence this summer, so that we have had to a very considerable extent tax incentives. We have given consideration and will continue to give consideration to other forms of tax incentives. There are limits on this question of tax incentives if the government considers that it has any responsibility at all, because when you exempt certain groups or classes from taxes you either have to cut down services or else somebody else has got to pay more taxes. This is one of the things, yes it might even be complained of by my hon. friends opposite, that this is putting the burden of taxation on the farmers, I have heard them complain about that on occasion.

In regard to industrial power rates, the situation has been that Saskatchewan Power Corporation has been always willing to negotiate with any new industry for an industrial rate and when necessary I know they are willing to go right down to the cost of generation and transmission of that energy. Again if you go below the cost then somebody is going to have to make up the difference. I think that there could be occasions when it would be good policy for a limited period of time to actually accept a loss. You couldn't think of doing it on a permanent basis but for a limited period of time to actually accept a loss in regard to power rates though I have no objection to the amendment these are things that have been done and will continue into the future.

I will support the amendment and I will support the resolution as amended.

Amendment agreed to.

Motion as amended agreed to.

SECOND READINGS

Bill No. 40 — An Act to amend The Workmen's Compensation (Accident Fund) Act, 1955

Hon. C.C. Williams (Minister of Labour): — We have only three or four amendments here, one is to protect truck owners, who may be under contract for some employer, in the event that they are injured. I think you all know of companies which may have a gravel contract and they have a number of truckers working for them who own their own trucks. It would be very easy to draw up a contract, Mr. Speaker, which would divorce altogether the individual owner of the truck from the employer but we do want to have these men protected and one of the amendments in this act will do that.

Section No. 4 refers to volunteer municipal fire brigades. There has been trouble in this province as in all provinces in protecting people in this group and they are entitled to protection, I think everybody would agree to that, the same as the fire brigade in the city. We have an amendment which will clarify any misunderstanding which there may have been in this regard.

One of the most important amendments we have, Mr. Chairman, is the increase of \$10 per month to widows of men who have been killed in accidents in industry over the years and \$10 per child up to the age of sixteen and an increase from \$50 to \$60 per month for the keep of an orphan.

Then there are some amendments which refer to total disability, permanent disability and so forth. There is just one thing that I will mention. Up until the present time an employer was entitled to compensation based on his wages for the past year. Now we are going to amend that and he may choose the best twelve consecutive weeks out of the past three years — it will give him a better break. I think that is about all, Mr. Speaker.

There is one more that I will mention. Where an injured workman has lost a limb, that is a lower limb, he will be entitled to a clothing allowance of \$96 per year and where he has lost an upper limb, a clothing allowance of \$42 per year.

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There are some other amendments which I will not take time to explain at this time, Mr. Speaker, I will move the second reading of Bill No. 40.

Motion agreed to and bill read the second time.

The Assembly adjourned at 5:30 o'clock p.m.