LEGISLATIVE ASSEMBLY OF SASKATCHEWAN Fifth Session — Fourteenth Legislature 11th Day

Thursday, February 28, 1963

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

On the Orders of the Day

PURCHASE OF LAND BY HUTTERITES

Mr. W.R. Thatcher (Leader of the Opposition): — Mr. Speaker, before the orders of the day I would like to direct a question to the Minister of Municipal Affairs. Has the government received any representation respecting the Hutterites purchasing substantial acreages of land in the province, and if so, from what sources? Secondly I would like to ask the minister, what is the policy of the government in connection with Hutterite settlements and land purchasing in Saskatchewan?

Hon. E.I. Wood (Minister of Municipal Affairs): — Regarding this question, the first part of it concerning any representation having been made, I may say that my connection with this sort of thing is only in the last few months and I would have to make reference in regard to them. We have had some representation from the people around Glen Kerr, Main Centre area with regard to settlement in there. I might say in regard to our policy on this, we have had a committee on minority groups set up for some five years or so which has, among other things, been dealing with this problem. Our policy has been that instead of endeavoring to legislate in this field as has been done in the province of Alberta, we are endeavoring to attempt to solve this situation to some extent at least by agreements with these people, which we feel is much more in line and compatible with our provincial bill of rights and the federal bill of rights than what can be done by legislation singling out some certain group that would say they could, or could not, do a certain thing. I think that we have had a certain degree of success over it and have had some communities that have been considering settlement here, channelled to places where they would cause less controversy and at least some have been persuaded to settle in Alberta rather than coming to Saskatchewan.

These are people, as I referred to earlier, who made representation to us. There was a protest meeting called in this area. We sent one of our municipal inspectors to speak

to this meeting and it is my understanding that the meeting did endorse the policy which the Saskatchewan government is using at this time, in regard to this matter.

Mr. Thatcher: — One supplementary question, Mr. Speaker; does the minister know if the three Hutterite colonies have agreed to limit their land purchases in these three areas under question?

Hon. Mr. Wood: — No, I am afraid I cannot say that this is the case. The whole endeavor in this is that they will talk these things over with us, settling in these areas, and I have to say that in this instance I am afraid that our negotiations with them have not worked out as well as they have in some other instances, due to circumstances by their inability to contact the director of the committee on minority groups. That is one thing that we hope to work out from this being taken over by municipal affairs, we will have a more continuous base for them to contact and we hope that this sort of thing can be avoided in other places.

WELCOME TO STUDENTS

Mr. D. Boldt: — Mr. Speaker, before the orders of the day are proceeded with I would like to welcome a group of 65 students from Langham, who just filed in a few minutes ago, under the direction of their teachers, Mr. Schmidt and Miss Nichol. I am sure all members will wish them well and hope that their stay here will be a pleasant one.

Mr. F.E. Foley (**Turtleford**): — Mr. Speaker, before the orders of the day, I would like to direct a question to the hon. Provincial Treasurer (Mr. J.H. Brockelbank). I would like to ask him what action he and the government have taken during the past year to alleviate some of the hardships created on the small businessmen on the borders of the province with regard to the collection of the five percent education-medical care tax. There have been a number of delegations in the . . .

Mr. Speaker: — Order! Order! I don't think that type of a question comes within the scope of questions on orders of the day. That could be a question on the order paper but it doesn't come within the scope of question on orders of the day.

Mr. Foley: — I thought that if the hon. Provincial Treasurer would agree it is a legitimate question . . .

Mr. Speaker: — Order! I cannot permit lengthy discussions on questions on orders of the day.

RESOLUTION ON RAIL LINE ABANDONMENT

Mr. C.H. Thurston (Lumsden) moved:

That this assembly urges the federal government to continue to suspend all applications for branch line abandonment until a complete study has been undertaken by the federal government of all the social and economic consequences that would result.

Mr. C.H. Thurston (Lumsden): — Mr. Speaker, in rising to move the resolution on rail line abandonment, I want first to say that I am not going to take very much time of the house as I feel it is self-explanatory and will receive the unanimous support of the members. This proposed rail abandonment is one of the most important issues facing us today. Transportation is the life blood of a nation. It affects every citizen whether he be farmer, businessman, worker. In fact, every segment of society. For this reason it is important that this resolution be passed, urging the federal government to continue to suspend all applications for branch line abandonment until a complete study has been undertaken of the effect on our society.

Mr. Speaker, before dealing with the resolution itself I would like to commend our provincial government for the stand it has taken on this subject. I think much credit is due our Premier and the Minister of Industry and Information (Mr. R. Brown) for the time-consuming amount of work that they have put on this problem. And also for taking the initiative in calling a conference of the governments of the three prairie provinces and of other interested organizations. This conference was held in Regina on December 20th last. It might be of interest to the members to see who attended this conference.

Well, from Alberta, heading the delegation we had the Minister of Highways, (Mr. G.D. Taylor), the Alberta Association of Municipal Districts, the Alberta Federation of Agriculture, the Alberta Wheat Pool, the Farmers' Union of Alberta; and from Manitoba, a strong contingent of government members headed by Premier Duff Roblin, the Manitoba Chamber of Commerce, the Manitoba Farmers' Union, the Manitoba Wheat Pool, the Manitoba Urban Association, the Union of Manitoba Municipalities and the Winnipeg Chamber of Commerce. From our own province, a strong contingent of cabinet ministers and top civil servants headed by our Premier, along with the Saskatchewan Association of Rural Municipalities, the Saskatchewan

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Chamber of Commerce, the Moose Jaw Chamber of Commerce, Saskatchewan Farmers' Union, Saskatchewan Federation of Agriculture, the Saskatchewan Wheat Pool and Saskatchewan Urban Municipality Association.

And at this conference there were some observers, representatives of the Canada Department of Agriculture, the Canadian Federation of Agriculture, the Northwest Line Elevators Association, and United Grain Growers. So you can see, Mr. Speaker, that this was a pretty well represented conference, and I would like to quote a few remarks of the leaders of this conference.

Premier Lloyd, after his opening remarks of welcome to the visiting delegates, had this to say, and I quote:

It is estimated that nearly 25 percent of railway lines in the three prairie provinces may be or are being considered for abandonment. We estimate that in the province of Saskatchewan alone, over 2600 miles of railway are being studied with application for abandonment in mind. We are well aware that the Royal Commission on transportation specifically recommended that the railways should divest themselves of so-called uneconomic branch lines, or be subsidized for the continued operation, and it assumed that the federal government is now considering legislation to this end.

I think, Mr. Speaker, at that time that the thinking of many of us was that legislation along this line would be brought down.

Our Premier went on to say:

The Canadian National and Canadian Pacific railways however, have been unwilling to wait for legislation which would deal with the recommended abandonment of uneconomic branch lines, and have been utilizing the railway act to file applications with the Board of Transport Commissioners for the abandonment of these lines throughout Western Canada. He stated that six applications were heard by the Board of Transport Commissioners this fall in Alberta, Saskatchewan and Manitoba and he said four more were pending in Saskatchewan and we understand that many more applications will be made in the immediate future.

Premier Duff Robin of Manitoba had this to say:

I believe the position of the government of Manitoba was pretty well expressed before the Board of Railway Commissioners, December 6th last in Brandon.

I think you will see that generally speaking the three prairie provinces are moving along parallel lines in connection with this problem. Part of what I said at that time follows 'The government of Manitoba regards branch line abandonment as a continuing and serious problem. There are diverse interests involved. First, railway management wished to minimize losses due to non-compensatory operations. Shippers are interested in reduced costs to the extent that such reductions can be reflected in reduced freight rates. And finally, the communities affected by such abandonment are deeply concerned about the impact on the social and economic life. In short, it is not sufficient merely to assess the financial saving from the standpoint of the railways'.

Mr. Taylor, speaking for Alberta, had in part this to say:

In Alberta we feel that the abandonment of low density rail lines is wrapped up in a much greater problem of the whole transportation system. If we do not consider the national transportation system, we would be doing in the matter of transportation what we are condemning the Board of Transport Commissioners for in the piecemeal abandonment of rail lines. In a country like ours, where transportation has been forced to go East and West, partly for statutory reasons and partly through the indirect methods of tariffs, it is very important that each segment of the transportation system should have a chance to carry its full weight, and to do so on an equitable basis. For us to consider railway lines only and not equally important transportation media such as trucks, water, planes and maybe pipe lines, would be at least only a partial consideration.

He again is pointing out a need for study. The second point that Mr. Taylor wanted to stress was this:

I would like to stress that we are rather alarmed that the Board of Transport Commissioners has gone ahead with abandonment applications — 14 now before the Board — before the government of Canada has stated whether it will accept the report of the Royal Commission on Transportation. Many of these might be justified but I would suggest it is not good when a Board, set up in the capacity which the Board of Transport Commissioners has been set up, acts on these before the parliament of Canada states whether it is accepting the Royal Commission report or otherwise.

The Royal Commission recommended that an annual payment of \$13 million be paid for 15 years to help pay the loss on unprofitable lines. The Board of Transport Commissioners had no proper right to assume that this amount is or is not going to be paid.

And he ended by saying:

The present method used by the railways to abandon lines on a piecemeal basis is absolutely unsound.

So I think, Mr. Speaker, that you can see that the three provincial governments are pretty much along the same lines. Mr. Charles Gibbings, president of the Saskatchewan Wheat Pool has summed up the non-government participants at the conference and recommended four points to be considered.

The first called for an immediate stop to the present piecemeal consideration of rail abandonment. At this time, Mr. Speaker, I would like to commend the federal government as we know that they have suspended at least temporarily, and we hope by pressure from resolutions such as this, that it will be taken into consideration and no further abandonment until a complete study has been taken.

The second point that Mr. Gibbings outlined urged from the federal government a clear statement of its acceptance of responsibility of its intended policy. His third point called for initiation by the federal government of a planned rail rationalization program. The implementation of which includes immediate study to take into account the general interests of the Canadian economy and the special interests of the transportation media, the prairie sector and the agricultural industry. And fourthly there was the need to recognize publicly the need for a rationalization program and admission by each participating organization of the responsibility to work towards solution of the problem.

Mr. Speaker, I am not going to take any more time in dealing with this conference, only to say that in the main there was agreement that rail line abandonment should be suspended until a complete study has been made. I would like to turn now to the probable impact of railways abandonment if authorized.

I don't think any of us can say at this time what the full effect would be but I am sure the principal impact would be felt by the grain farmers. We have an example of this already in the Reston-Wolseley line, abandoned in 1961; 63 percent of the total outbound and inbound cargoes hauled in the period 1956 to 1959 were grain. In 1959, 70 percent of the carloads hauled on the Radville-Willowbunch line were grain. In 1961, all but three carloads hauled on the Rockglen-Killdeer line were grain. It seems to me that this

pattern would follow if the railways were granted their applications for branch line abandonment. Having this in mind, I think one can say that the abandonment of grain carrying lines will certainly, with existing equipment, involve higher transportation costs for carrying grain from farms to more distant railway shipping points. It is this point that the rural municipalities are becoming alarmed, and rightly so. Everyone knows that higher standards of roads would have to be built and maintained; to make the hauling of grain longer distances economical, much larger trucks would be needed. This being so, it is doubtful even if our grid roads are built to a standard that would carry these loads. If this would be the case. I doubt even if the province has, remembering as I stated a few moments ago the probable abandonment of over 2,000 miles of branch lines, this would require possibly thousands of miles of municipal roads built to a high standard, in addition to our highway and grid system, a financial load that would have a crippling effect on our economy.

There would also be a very considerable effect on the grain elevator companies. They would be faced with losses on abandoned properties, on abandoned railway lines, and the probable necessity of building increased grain storage capacity on alternate railway lines. It is true that grain companies may have some saving by increasing their volume at shipping points. Nevertheless I feel to handle the larger trucks that would be hauling grain longer distances would require more expensive elevators.

Bulky commodities, such as coal, would also be affected. As an example — in 1957, 207 out of 281 inbound carloads, and making up 18 percent of the total movement on the Radville-Willowbunch line were coal. I think it can safely be said that the movement of coal is much more economical by rail than by truck.

Now, Mr. Speaker, I see that my time is about up — I want to share the air time with my colleagues. Much more can be said on this subject and other factors, how it will add to unemployment and the rest. I am sure that these and other views will be expressed by other members.

In closing, this resolution simply asks the federal government to continue to suspend all applications for rail line abandonment until a complete study has been made. It may well be that when this study has been made it will be found that it is more economical to subsidize the railways than to put governments, provincial and local, and the residents of these communities, in particular the farmers, to the added expense of alternate means of transportation. Therefore, Mr. Speaker, I move, seconded by Mr. Peterson,

That this assembly urges the federal government to continue to suspend all applications for branch line abandonment until complete study has been undertaken by the federal government by all the social and economic consequences that would result.

Mr. C.B. Peterson (Kelvington): — Mr. Speaker, in rising in support of this very important motion I do so with concern and I also do so with the interest in the welfare of the people in this province and for all of Canada for that matter. I do so with the same concern that has been echoed by the various organized groups throughout the prairie provinces in this last year.

But before I proceed I would like to join with the other members that have spoken in this house to congratulate the mover and seconder of the motion in reply to the speech from the throne, the member for . . .

Mr. Speaker: — Order! You can't refer to a previous debate.

Mr. Peterson: — Very well, thank you. I want to congratulate also the members that have been appointed to the cabinet . . .

Mr. Speaker: — Order! You can't refer . . . you must discuss the motion which is before the house.

Mr. Peterson: — May I proceed? Mr. Speaker, in dealing with the motion on rail line abandonment, I must say that since I spoke on this motion last year I do not want to repeat the things that were said then but I can say that I am happy to say that much has been said, and also much has been done. The most important thing that has been done in the last year is the suspending of the permission to abandon rail lines by the Board of Transport Commissioners. I would say that this in a sense has been a stay of execution and I am happy to say that this stay has proved to be a benefit and a sort of a stopgap for, to alleviate the anxiety that has been ours in this past some years.

Taking part in representations has been the prairie provinces, as has been mentioned the provinces of Alberta and Manitoba and also our own province that has been supported by our Premier who took the lead to arrange for a meeting to take care of this important matter, and I think we can sincerely be grateful to him for that.

some of those who took part in Saskatchewan were the Farmers' Union of Saskatchewan, the Saskatchewan Urban Municipalities, the Saskatchewan Chamber of Commerce, the Saskatchewan Federation of Agriculture, the Saskatchewan Association of Rural Municipalities and the Saskatchewan Wheat Pool. I point this out, Sir, to indicate the importance of this matter and to show this assembly that it is not alone in its contention. I would say on the outset that this matter concerns the people of the prairie provinces and all of Canada. It is of particular interest to Saskatchewan because of its geographical position in relation to the rest of Canada. Because of the physical make-up of Saskatchewan, the very nature of the terrain, could we say, is adapted to agriculture. And because of the farmer, both for transporting the bulky products of his farm products and also to import the important materials for the people who live here. It is a well known historical fact that the prairies were of little value to agriculture before the railways were built. And that the pattern for development of the west was to a large extent governed by the patterns that the railways took. It is unfortunate however that when the west was opened up better planning was not used, and because of that we will have to start a new plan.

We must remember too that what appears to be a mistake now was not necessarily a mistake then. Conditions and modes of travel have changed a lot in the last 35 years. It was a practice for railways to establish a station or a siding every 7 miles in the settled areas, and this proved to be adequate for the needs of the people in those days. But now we travel much farther in less time with heavier loads and could we say at less cost. But really we do not travel at less cost. Our cost is really higher because of the expensive equipment. The railways too travel much further in less time and they draw heavier loads also. But they too have additional costs. But what is the difference? How much is this differential? How much does this really matter in dollars and cents? No one can give that figure at the present time and, Mr. Speaker, that is why this motion is before us today. The practice of piecemeal abandonment of unprofitable railway lines is not, in my opinion, the solution to this problem. It could be solved for the railways if they were, perhaps, the only parties to be considered. But of course this would be unfair. Now we all know that railways form part of our national structure, should we say, in the same sense that agriculture does and the same that industry does. It follows then that one cannot be considered apart from the other. Each has received financial support out of public funds and each is indispensable to our national economy.

It is with these facts in mind, then, that the

previously mentioned organized groups have been pressing for a stay in the hearing on branch line abandonment until a full and complete study of the implications can be compiled and recommendations made. The extent of this matter is somewhat illustrated in the number of miles of rail line that is slated for abandonment. The C.P.R. alone is thinking in terms of some 2,500 miles. Nearly 5,000 miles is being considered for abandonment in the overall plan by the C.P. and C.N. for the prairie provinces. I think it is most unfair, Mr. Speaker, considering some of the recent concessions granted to railways. It was stated in the interprovincial conference railway abandonment meeting December 20, 1962, the report, Appendix "B", p. 3 and I quote:

That as a result of the commission's recommendations the government of Canada in 1961 made a contribution of \$50 million to the railways pending specific legislation respecting the commission's recommendations.

Then again from the submission by the government of Manitoba to the Board of Transport Commissioners for Canada, December 6, 1962, I quote:

For the first 10 months in 1961 combined operating rail revenues have increased \$26 million over the same 10 months of 1960, an increase in revenue of \$26 million dollars.

I have here also a clipping from the publication "Labour" dated April 21, 1962, which states as follows:

The headlines indicate the report by C.P.R. reveals gains on all fronts. Montreal. The Canadian Pacific had another good year in 1962, according to the annual report sent to stockholders recently by president N.R. Crump and the Board of Directors. Among other highlights of the report were these: Net profit of the year totalled \$32,400,000, an increase of \$3,500,000 over 1960. Working capital increased by \$7.9 million to \$106.6 million. Funded debt was reduced by \$15.4 million to \$157.5 million. Total assets soared from \$43 million to \$2.7 billion. These were the total assets. Then capital expenditures on railway plant and equipment amounted to \$52 million. Freight traffic increased by 1.9 million tons.

And then to read further:

A special dividend of \$2 1/10 million was received from a wholly owned subsidiary, Canadian Pacific Oil and Gas.

Another item respecting dividends:

Figures on the holding of stock also underscored the heavy foreign control of the Canadian Pacific. Although the stock held by the Canadians increased by about 7 percent over 1960, the total is still only 30.8 percent. Of the balance of the shares 58 percent are held in the United Kingdom and the United States and the rest in other countries.

This to me, Mr. Speaker, would indicate that we are subsidizing foreign interests to some extent. In 1961 to the tune of \$35 million. If the railways, then, are realizing an overall profit, there should be no need for abandonment of unprofitable sections of lines until a complete study of the overall problem of transportation needs could be finalized.

I have dealt in length with the matter as it affects railways and I would like to point out the effects that it would have on other persons that the railways serve. I will say that these fall generally into three groups: the consumers, the shippers and those providing service. I believe the last two would suffer the most if the present plan of branch line abandonment takes place.

The farmer, particularly the grain farmer, of course, would be hit the hardest. He actually is part of all three groups. The machinery he buys comes in on rails, the grain he sells moves to export on rails. The hon. member from Lumsden (Mr. Thurston) just mentioned that 63 percent of the total outbound and inbound carloads hauled on the Reston-Wolseley line for the period of 1956-1959 were grain, and in another instance the load was 70 percent grain. He also mentioned the important part that rail lines play in the handling of coal. Now, Sir, to emphasize the problem that would exist if the service were withdrawn. To further illustrate the seriousness of this problem as it affects farmers, we are all well aware of what is meant by the constant dollar value. If this constant dollar value rule was applied to the present time, the grain that the farmer sells now would give him about the same amount of remunerative or purchasing power as he received for the grain that was sold during the early thirties. I will not elaborate on the farm problem further because I understand my colleague here, the member for Watrous, will be dealing with that.

Now, for those giving service, I would say that the grain elevators would be hit very hard because hundreds of thousands of dollars have been invested in on-site installations for grain handling and grain storage. Some of this could be moved but if it were moved, would it fit into suitable storage that could be used by the railways as a sort of semi-terminal installation that is now recommended by the railways. Another is the annexes. We are all well aware of the fact that annexes right now consist of a great portion of our storage

facilities and these annexes are so constructed that it would be not possible to move them and reconstruct them again. So they would be a total loss.

Then, what about the municipalities that are providing services. Rural municipalities have been mentioned by the member from Lumsden (Mr. Thurston) that roads of course would be a major problem, grid roads that are now being built to a rail centre would have to be perhaps reconstructed and these have now been built or almost all of them have been built and this would be to some extent another loss. And where would the burden fall? It would fall on the provincial government and also the local taxpayer which consists mostly of the rural population. Then the urban population would be in another way affected, that they would have to provide facilities for handling freight by trucks, it would affect their streets, their installations and so on in the same way as it affects rural municipalities. I have a copy here of a memo from the meeting dated January 9 to our government by the Saskatchewan Urban Municipalities, and I quote:

Those municipalities served by railways which are to be abandoned will have to adjust to an alternative type of transportation. This, in many cases, will require a substantial expenditure of public funds in order to provide adequate streets, roads and other facilities, plus additional sums of money for their future maintenance. Furthermore, the planning, financing and construction of roads, streets and other facilities in order to service the alternative means of transportation takes time.

Now, then, if we are to consider the motion as it has been put, consider all these matters that affect the people of our country, the labor for instance on the railways, considering the extent of the number of miles that could be abandoned and the changes that could take place, it would indicate the need for a comprehensive study on the effects as it would affect our whole population. And with these facts before us, Mr. Speaker, I realize more than ever the need for the government of Canada to set up, not a Royal Commission, but a committee to reassess the whole problem of transportation and to prepare recommendations to the government that will allow for a period of adjustment for all concerned and to make recommendations for means to carry out this adjustment.

I will support the motion.

Mr. H.A. Broten: — Mr. Speaker, this resolution is an all important one and I have great pleasure in rising at this time to speak on it.

It deals with a frightening subject, that of rail abandonment. The subject matter in this resolution is very far reaching and, as I have said before, almost frightening in its scope. But the request in the resolution, may I add, is a reasonable one. May I read the resolution again.

That this assembly urges the federal government to continue to suspend all applications for branch line abandonment until the complete study is undertaken by the federal government of all the social and economic consequences that would result.

A very reasonable request to say the least, Mr. Speaker.

This resolution should not have been necessary, because, I maintain, no rail line abandonment application should have been entertained at any time until a full-scale, independent study was made of the question in the first place. A temporary halt to the previous piecemeal considerations of rail line abandonment is, I am sure, appreciated and this gives a breathing space for overall considerations of the problem.

Why is the carrying out of the rail line abandonment as disturbing as I have suggested, Mr. Speaker? It is because of the probable magnitude of the operation and its consequences. There have been suggestions of 2600 miles, in Saskatchewan alone, would be affected. A lot of miles, to say the least. This would mean that one-third of the farmers would have substantial added costs when they can't afford them, extra costs for grain hauling alone could mean from 1 to 2 cents to 9 to 10 cents a bushel, and these extra costs cannot be absorbed by the farmer at this time, plus the cost of greater distances to be traveled to service his farm, because in many cases his service centre would disappear. Hence the greater distance to service his farm. These added costs at a time when 40,000 farmers have already been forced off their farm by the cost/price squeeze would be disastrous. I maintain, Sir, that rail line abandonment, based on rail usage, when usage would be at an all-time low, because of the long period of low purchasing power of a bushel of wheat, would not be a true picture of rail line usage. Wheat, after all, is our most important product and its low purchasing power does have and is having a disturbing effect on our whole economy. Rail usage would be affected by this low-purchasing power. Our small business men and elevator companies will be affected and as I mentioned before 40,000 farmers have left their farms in the last 20 years and more would follow if the cost of production went up. I must add, Sir, that every

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member of this house, and every Saskatchewan citizen should study the question of these low prices I have mentioned, and it is clearly understood that there would be more protest regarding this low price of cereal grains, especially wheat.

Just what has inflation done to our dollar? According to the Dominion Bureau of Statistics figures, the price index of the things the farmer buys to produce his crop shows that we get the following result. The bureau uses the period between 1935 and 1939 as 100. By 1945 the index had risen to 153.6 and by 1960 had gone up to the startling figure of 272.9. This is the figures that come under the heading 'excluding living cost'. By 1959, when the farmer received an average of \$1.32 for his grain, he was getting only 50¢ in relation to the 1935 to 1939 constant dollar. In fact, if you average the price received for grain, for wheat between 1953 and 1961, wheat averages on 54¢ a bushel in the terms of the 1935 to 1939 constant dollar. In no other eight or nine consecutive years since the province has been formed has the purchasing power of wheat been as low as in that period. I would just like to add, Mr. Speaker, that the average price between 1953 to 1961, being 54¢ in constant dollars, wheat had more purchasing power six years out of the ten in the thirties than it has had in the last eight years.

By the same token, if you receive 20ϕ a pound for a steer now, it would be the same as getting 7.3ϕ a pound in the 1935 to 1939 period. Is it any wonder we would protest added costs at this time?

What needs to be done, Mr. Speaker, is a complete rationalization of the whole transportation scheme at this time, and a comprehensive all-embracing study. An assessment must be made as to whether the savings to railroads would add costs to other provincial groups, which they would be unable to meet. Here, Mr. Speaker, may I say that the railways may be more able to bear these expenses than the small businessman or the farmer. Some very real problems would arise. As has been mentioned many times, can farmers pay for the roads that would be needed? Wouldn't it be better to have the money spent on rails rather than on extra roads? I mentioned the fact that railroads should have the added cost rather than the farmers for they would be more able to carry the load under present conditions. My reasoning is that their general financial condition is much better. C.P.R. stock is still a fair investment. On the other side, perhaps less than 10 percent of our farmers have had any return on their investment at all in the last 15 years. One of the most unsatisfactory recommendations of the Royal Commission was that the decision of the board on abandonment will be made on the basis of the financial balance to the railways only. Mr. Speaker, there are many factors in railway policy that made this nation in the first place. I am sure that in such a vast country as ours, this criteria for abandonment is purely financial and if a line

doesn't pay, cut it off. Financial consideration alone, on the part of the railway branch, is not conducive to equal opportunity for many of our sections of our land. This criteria needs a second look. Railways can look for other ways to economize. And one would be for a free use of all lines and facilities between the two roads. Whether this is done by amalgamation or nationalization I am not prepared to say, but I am sure much economization could be made through one control. Many farmers and businessmen have sold to one another and established joint control to meet their costs more favourably.

In Saskatchewan and in the whole nation, provincial and local governments, business people, farm organizations and others are vitally interested in this whole subject. They have already had an opportunity to put forth their case for postponement. The Premier has played a big part in getting united action on this. A press release which was in the Leader Post not too long ago probably would tell the feelings of Saskatchewan and the Premier on this whole question and I would like to quote from this press release:

Rail abandonment will cause changes in growth patterns in Saskatchewan, making it difficult to formulate proper long term plans for the development of adequate public facilities. And municipalities will be faced with reduced taxation basis, he added. (These are the Premier's comments) Any study that was done by the McPherson Royal Commission on this question was incomplete and too narrow in scope, declared Mr. Lloyd. He presented five points Saskatchewan believes should be involved in a complete study before rail line abandonment policies are implemented and they are:

1. Establishment of a committee of inquiry, but not another Royal Commission, to recommend a program of rail rationalization.

2. Full revelation by the railways of their plans and analysis of financial benefits to the railways.

3. Thorough analysis of the implications for rail users and the economy generally, contemplated rail abandonment with a view to assessing additional social and economic costs involved.

4. A study of compensations for interests adversely affected by any authorized abandonment.

5. Establishment of what rail structure should be regarded as essential for national purposes regardless of economic factors involved. Saskatchewan supports a provision of payments for a branch line rationalization fund to delay abandonment to a line until affected interests can make adjustment, he said. The province also endorses the Royal Commission suggestion for compensation for rail tied investment but regards as undesirable the parent provision that the Board of Transport Commissioners determine whether a line is to be abandoned without a public hearing, said Mr. Lloyd. In our view it is most undesirable to authorize abandonment of a railway if the loss to the community is greater than the gain to the railway community.

I think this is a very significant statement.

Any step that is taken should promote the rationalization of a single sector isolated from the rest, he added.

I would say, Mr. Speaker, we must continue to work at this all important question of rail line abandonment in order to get equitable and fair treatment.

I support the resolution.

Mr. K.F. Klein (Notukeu-Willowbunch): — Mr. Speaker, might I say that we on this side of the house are in agreement with principle and the spirit of this resolution but as has been indicated by the previous speakers the problem is a tremendously complex one and I think there are many aspects of it that I would like to air in this house at some later date, and with that in mind I beg leave therefore to adjourn the debate.

Debate adjourned.

MOTION RESPECTING FEDERAL AID TO EDUCATION

Mrs. G. Strum (Saskatoon) moved:

That this house is of the opinion that the federal government should accept a larger share of the costs of education in Canada, particularly through an extension of the Vocational Training program to 1967 and further aid to institutions of higher education.

Mrs. G. Strum: — Mr. Speaker, in rising to move the resolution I suggest that I am about to discuss perhaps the least controversial issue we shall deal with this session, that is the need for federal aid to the provinces to bring about equality of educational opportunities. In moving this resolution I wish to remind the house that every Canadian child, by virtue of his citizenship, carries not only the burden of defence in time of peril, but the stamp of a Christian culture and a heritage of Canadian rights and benefits. Furthermore, the cost of the kind of education we give at all levels, costs which represent a social investment in the human resources which our schools develop, our capital outlays for plant and equipment, our maintenance grants for transportation and salaries for teachers, these now add up to a staggering sum. Furthermore our population forecasts all indicate the growing burden with no respite in the foreseeable future. Our university forecasts in terms of students, buildings, equipment and staff stagger the budget bureaus and the provincial treasurers in not only our own province but in all provinces that recognize the value of education in the growth of a province.

Furthermore, Mr. Speaker, if we are not to impoverish our elementary and high school programs in order to support the institutions of higher education, then we must have federal aid for education at all levels. In my talk I propose to develop the case for unconditional equalization grants as part of our federal government's payment to the provinces. This is the only new source we have available to the provinces and this is the method we must use if we are to equate Canadian citizenship and equal rights.

I also warn you I shall have to crave your indulgence to read from quotes and from tables, but I dug these all up myself and I wrote my own speech, so I hope you will be lenient with me.

Let us return now to my first assumption, that is Canadian citizenship carries with it the burden of defence in time of war. I should like to give you some proof of this from the Canadian Journal of Economics and Political Science, 1845, vol. 2. p. 384. This gives us the picture of the drain on population suffered by the prairie provinces in this period. Their talk on enlistment says:

Prairie population losses fell into three categories:

- 1. Enlistments for the armed forces.
- 2. Recruitment for war industry.

3. A slightly later development, the retirement of older people made possible by war prosperity and Veterans Land Act purchases.

Taking the first two items, enlistment in the services and recruitment for war industries, I would like to quote:

From the beginning of the war up to March 31, 1945, some two hundred and fifty five thousand men and women, enlisted, or had been called up by the Canadian Armed Forces alone, in the prairie provinces.

To chart the loss of population caused by war industries I would like to first quote this prediction from a speech by Howard Green, whom we all have listened to recently in the defence debate (he was then in the opposition) and from Hansard, November 21, 1940, vol. 1 of 1941, p. 293, he had this to say. This is at the beginning of the war and he could see what would happen to us as a result of war industries.

I have a suggestion also for the Minister of Supply, he told this house yesterday that hundreds of millions of dollars were being invested in new plants and plant extensions, but there can be no dispute that practically all those plants and plant extensions are in Ontario and Quebec, the reason being that there is hydro-electric power available in those provinces. This means an unfair and an unhealthy concentration of wealth in the central provinces of Canada. It means a great increase in employment in those provinces; it means the young men and young women of other provinces will in many instances have to migrate to central Canada to get jobs. That is already happening. It means that many families will be broken up and it means lopsided development of industry, if any of these plants continue in operation after the war, so that the process will carry on. I plead with the government, (a Liberal government) to change that policy at once, and gather these plants across Canada. There may not be much trouble now when the war is on, and it may be overshadowed by more important issues, but hon. members will know that if this thing moves on it will mean grave trouble in Canada for the next 50 or 100 years.

And we have been fighting over our population decreasement in this house ever since I have been here.

Mr. Green's prediction of depopulation of the prairie regions turned out to be valid. The west did not benefit from more industries; as Mr. Green pointed out the industries were located at the scene of power development. The west got no industries and it lost population, they exported men and women to man the ships and guns and war factories, and this merely accelerated the trend that had

already set in earlier.

On p. 383 of the same volume it makes this clear and I quote:

In the five years following 1936, the prairie provinces lost 96 percent of their natural increase; even in the five year period preceding this, from 1931-36, the prairie provinces lost a very considerable portion of their natural increase. During the thirties the prairie provinces provided a net emigration of 248,000 persons; it was said of the prairies and the maritimes, when all other exports fail, they export men.

Mr. Thatcher (Morse): — I thought we were dealing with the vocational training, Mr. Speaker.

Mrs. Strum: — Well, you just sit down and you will hear it. I am speaking. You don't like this, I know ...

Mr. Speaker: — Order! Order!

Mrs. Strum: — Just sit down . . .

Mr. Speaker: — Order! Order! I think the point taken by the member was fairly well taken, and I hope the member will get back to the motion before us.

Some Hon. Members: — Hear, hear!

Mrs. Strum: — Well, Mr. Speaker, if you will permit me to develop this argument, that we bear the burden of defence, — this is my point — we have borne the burden of defence, this defence effort cost us our population, and now we are impoverished when we go to pay for the costs of education. Now, if you can get that, that is what it is.

When the war emigrants settled down, the Unemployment Insurance Commission charted the whereabouts of some of these people.

Just listen carefully, and I'll go very slowly, and you might get it. Figures from March, 1945, showed that people of prairie origin were being employed thus — and here is where they settled down. The Maritimes — 176; Quebec — 1848; Ontario — 10331; British Columbia (and here is where the shipbuilding and aeroplane factories, took our population) — 17584. A total of 29939. This does not include those who were self-employed, or those in employment but

uninsured. It is estimated that the total would reach 33000 persons, and this is the burden that the prairies bore in winning the war, and this is the reason for our lack of population and our high per capita tax, which pays for universities and all the rest of our schools.

Mr. Foley: — I have one point on those figures just given, Mr. Speaker.

Mr. Speaker: — Order! Order!

Mrs. Strum: — Well, just let me finish, please.

Mr. Speaker: — Order! Order! You have no right to ask a question.

Mrs. Strum: — Coming back to my second premise. The stamp of a Christian Culture and our obligation under the Christian ethic and its implications. Mr. Speaker, we open every day's deliberations with a prayer for guidance in all our doings. Why do we do this? We do this in acknowledgment that we are a nation, founded on an historical concept. I say this in no narrow, bigoted, sectarian sense. I say it on the authority of an historian, a scholar and educator, presenting the secular, historical evidence. Let me illustrate this with a quote from "A History of the Modern World" by Palmer. This is the textbook used in History 2 by Professor Hilda Neatby, with which many of you are familiar, this is related to the program, if we are truly a Christian nation. It is quite a long quote, but I will use the text for this is relevant to our concept of the program for education:

The coming of Christianity. The thousand years during which Graeco-Roman civilization arose and flourished, were notable in another way even more momentous for all the later history of mankind. It was in this period that the world's great religions came into being. Within this time (1700 BC to AD 700) the lives of Confucius and Buddha, of the major Jewish prophet and of Mohammed, were all included. At the very midpoint, about 4 BC in Palestine, in the Roman empire, was born a man named Jesus, who was believed by his followers to be the Son of God. The first Christians were Jews, but under the impulse of its own doctrine, and under the strong leadership of Paul, a man of Jewish birth, Roman citizenship and Greek culture, Christianity began to make converts without regard to former beliefs. There were certainly a few Christians in Rome by the middle of the

first century, both Paul and the other apostle, Peter, according to church tradition, died as martyrs at Rome, at the time of Nero, about 67 AD.

And then I will skip a whole bunch of this and I will come back to it.

By the fifth century the entire Roman world was formally Christian. No other religion was officially tolerated and the deepest thinkers were all Christian, men who combined the Christian beliefs with the now two thousand year old traditions of the Graeco-Roman philosophy.

Now, what has this to do with education? Let me point out for the benefit of all members of this house, that this is not a sentimental, superstition-ridden myth. Neither is it a cold Marxian, materialistic concept of history. This quote is from a modern text book, used in one of the most progressive universities in a Christian country — our country. All of our laws and customs bear the imprint of this world-shaking revolution in thought and practice, and in terms of education programming the implication is clear. And I would like to read another little quote here to show you the effect that the coming of Christianity had on world thought and practice, and this is a secular evidence. This is not the Bible; this is a history book taught in our universities.

It is impossible to exaggerate the importance of the coming of Christianity. It brought with it, for one thing, an altogether new sense of human life. Where the Greeks had shown man his mind, the Christians showed him his soul, and they taught that in the sight of God, all souls are equal.

Here it tells you what the Christians then did as a result of this.

A new dignity was found for suffering, at the same time the Christians worked to relieve suffering as none had done before. They protested the massacre of prisoners of war; against the mistreatment and degradation of slaves; against the sending of gladiators to kill each other in the arena for another's pleasure.

It goes on to say that our Christian civilization has put a new emphasis on the value of human life, which we cannot escape if we believe in the evidence of history and what we superficially say we believe, but in terms of programming if we are a Christian country, it means planning not only for the privileged and the gifted, but it means providing for the

special needs of the blind, the crippled, and, of course, all the prisoners in our jails, the deaf, the retarded, all of those who have a special claim on humanity.

And in our total budgets, it means clothing the naked, feeding the hungry, and the general program of alleviation of suffering, that we usually call welfare. But if we really believe that this our ethical directive, under a Christian philosophy, then we have no choice.

Now this brings us to what emphasis or priority expenditures for education should have in our budget.

I shall attempt to prove now that our national health in terms of output or dollar value, rests on human skills, and this skill bank is the end product of education. Education, Mr. Speaker, is the power process applied to the raw material, the mind. Of course, education continues throughout life, and much learning is incidental to on-the-job training. However, even this depends on the basic assumption of a mind plus the process. This benefit is not only for the development and advancement of an individual; this is the good society recognizes, a benefit in which society shares. And because this is so obvious, Mr. Speaker, society is willing to pay most of the costs of the operation, even in long and expensive courses, the two highest being medicine and architecture, the cost of the individual in the university today is only a fraction of what society pays.

The costs in public and high schools are paid entirely by the public. Now in computing our resources as a nation, human resources are as real a resource as oil, or gas or coal, or iron or potash. It is power in the same way that electrical energy activates other elements in the process. This is the biggest factor in the growth of any economy; even in an age of automation, all other factors depend on the human mind to create, to plan, to bring into production the other forms of wealth. This is the problem of the under-developed countries. When we decide to help a famine-ridden, disease-infested superstition-bound nation, one fettered by taboos and black magic, what do we do? As a temporary stop-gap we send food and medicine, but for long term projects, we send trained people.

Yesterday we listened to Dr. Warren describe some of the searches for new answers in the research council has undertaken, and we can multiply this many, many times. Take our basic and historically first industry, agriculture. Not so long ago to be an agriculturist meant either a producer, a farmer, or you were an instructor. But let us refer to the possibilities of a career in agriculture, and the fields open to one of our Saskatchewan graduates. We all have this little booklet — "Careers in Professional Agriculture" and when you go in for a degrees course in agriculture now, you might study

biological sciences, bio-chemistry, botany, micro-biology, zoology, chemistry, or the physical sciences, mathematics, physics and so on. You could go in for agricultural chemistry, or economics, or engineering, agronomy, animal science, biology, dairy science, entomology, general agriculture, horticulture, poultry science or soil science, and these would all be specialized fields in agriculture.

And the woman who demonstrates in the co-op store is a graduate in the sciences too, and has a background in biology, chemistry, psychology, economics, and sociology, just as surely as has the agronomist and the plant-ecologist sent to promote the food supply in Pakistan. What I am saying, Mr. Speaker, is that education develops and enriches the mind, just as cultivation and fertilizer and seed prepare the soil to nourish the human race.

Education is the investment by society in the future. Society recognizes this, as I have said before, and pays the dollar costs, in real tax dollars. Society knows that its future greatness depends on the quality and the quantity of the input. In some areas, nations with global aspirations have outstripped us in this contest for excellence, to name only two of the most obvious, Russia and Japan. Russia did without what we consider the comforts and amenities and made of education a number one priority, and the result was that they won the race into space, and our complaisance vanished with the orbiting of Sputnik. Japan has the highest literacy rate in the world. They also had the finest electronic show at the Seattle exhibition, and are a force to be recognized in international trade. In the kind of a world the Canadian child enters at birth, more and more his chance to take his place in that world will depend on what he can do and what his preparation has been. What his skills are will be the result of the number of years he has stayed in school. Official studies show a close relationship between employment and education. One out of every four youngsters who drop out of school, is without a job. One government survey showed that the rate among those with less than high school was double that of those who had high school education and had graduated.

I merely wish now to turn to the rating of the provinces and their ability to pay, and this, Mr. Speaker, completes my argument for the need to equalize the burden if we are to have an equal right to education.

The following figures are from School Finance in Canada, compiled by the School Finance Research Committee of the Canadian School Trustees' Association, and this was computed over a six year average.

Taking the total tax bill as 100 the relative taxpaying ability in rank is based on personal income tax and on school population and is as follows by provinces:

Newfoundland, school population 3.2, ability to pay taxes 1.4; Prince Edward Island, school population .07, ability to pay taxes .04; Nova Scotia, school population 5.2, ability to pay taxes 3.3; New Brunswick, school population 3.8, ability to pay taxes 3.4; Quebec, school population 29.9, ability to pay taxes 23.8; Ontario, school population 32, ability to pay taxes 39.4; and Ontario is the first province listed that had a surplus of ability to pay over demand in terms of students.

Manitoba, school population 5.1, ability to pay taxes 5.4; Saskatchewan, school population 6.1, ability to pay taxes 6.9; Alberta, school population 6.9, ability to pay taxes 7.3; British Columbia, school population 7.1, ability to pay taxes 9.7.

With the exception of those four provinces all the others needed deficiency equalization payments.

The publication of the Canadian Tax Foundation, January, 1963, called Local Finance, has this to say on the burden of local tax sources.

For all provinces the per capita amount levelled by all local authorities for school purposes had increased from \$9.37 in 1946 to \$34.03 in 1960, a rise of 263 percent. And this Tax Foundation publication concludes that a broader basis for raising school revenues must be found if the uniformly high standard for education throughout is not to mean a greater sacrifice in one province than another. This could be achieved, they suggested, by expanding the present federal equalization grants to recognize provincial needs and the ability of each individual province to pay for the adoption of uniformly high standards of education.

Now there has always been some fear on the part of some provinces, that grants to education might carry some restriction, and this is a perfectly well founded suspicion which they suggest could be met in this way. And they name this objection and discuss it and I should like with your indulgence to just read a couple of more paragraphs in concluding, from this Tax Foundation publication.

Constitutionally, education is the responsibility of the province, but this does not preclude the federal government from substantially assisting the provinces with grants toward vocational and university costs. Federal aid for public schools, however, might not be acceptable to all provinces, some of which might feel this action further inroads into provincial economy. Aid, however, need not be direct, equalization grants are paid annually by the federal government to those provinces that per capita provincial revenues from income taxes, succession duties, and resource

levies which are below the average per capita yield of all provinces.

Now I see that I have encroached on my mate's time. He made a little speech the other night that I didn't know he was going to make so perhaps he will forgive me.

So, Mr. Speaker, with this I will conclude my remarks and I trust that members on both sides of the house will support the resolution which reads:

That this house is of the opinion that the federal government should accept a larger share of the cost of education in Canada, particularly through the extension of the vocational training program to 1967 and further aid to institutions of higher education.

Mr. Michayluk (Redberry): — Mr. Speaker, in rising to second the resolution on the order paper this afternoon, I am of the opinion that democracy is today facing its greatest challenge. Democracy is based on the principle of equality. There isn't any single factor, Mr. Speaker, that will assure equality to a greater extent, as education. In this rapidly changing world of automation, technology, and ideology, the youth of our province, Mr. Speaker, and in Canada, will have to take opportunity of this great challenge. To do so, Mr. Speaker, responsibility to a larger degree in financial assistance for education will have to be assumed by the federal government.

Further, Mr. Speaker, if our young boys and girls are to take advantage of the great and challenging opportunity which face us and fulfil adequately the hard tasks which may thrust upon us, our education must be the best that our nation can afford. It must offer our youth, no matter where, or in what circumstances they happen to live, a chance to develop their capabilities to the utmost. The first portion of this resolution, Mr. Speaker, deals with federal acceptance of the larger share of the costs of education. May I, Mr. Speaker, dwell on this portion of the resolution.

A survey on education finance, Dominion Bureau of Statistics, Education Division, 1958, revealed increases in the costs of elementary and secondary education per pupil of average daily attendance for the years 1948 and 1951-58 inclusive. On p. 38, table 13, per pupil of average daily attendance expenditure in Canadian provinces was, Mr. Speaker, and I will mention the three lowest and the three highest only, for Prince Edward Island, the cost per pupil daily average attendance was \$49.00; New Brunswick, \$72.00; Nova Scotia, \$74.00; the three highest provinces were — British Columbia, \$142.00; Manitoba, \$127.00; Alberta, \$124.00. A difference of \$94.00 between the highest and the lowest province in

Canada on the basis or per pupil daily average attendance expenditure is clearly indicative of the inequality of education between Canadian provinces. For the most part, Mr. Speaker, the cost of educating the youth of a province is paid from the wealth of that province. Therefore, if the people of each province devoted the same portion of their wealth toward education, the quality of educational programs, which they could provide, would be proportional to the per capita personal income of the province.

Dominion Bureau of Statistics, Mr. Speaker, research and development section, national accounts income and expenditures, 1959, show personal income per capita by province. The highest per capita income of \$1,768 in the province of Ontario to \$842 per capita income in Newfoundland. This wide variation among the per capita personal income of the provinces suggests that similar variations may be expected among the standards of education provided. The inequalities of provincial wealth are further demonstrated in the fiscal needs of Canadian provinces, Canadian tax foundation 1961, percentage of personal income required to provide average Canadian standards of education in 1956 by provinces shows a range of 9.1 percent of personal income to 3.2 percent in the province with the highest per capita income.

Referring to the same table, Mr. Speaker, for the period 1951 to 1958, educational costs increased in the 10 Canadian provinces by the following amounts: Newfoundland in 1951 the cost per pupil was 92 — this is per daily average of attendance — in 1951 it increased to \$151, a \$50 per pupil daily average attendance increase. Prince Edward Island from \$95 to \$150 — a \$45 increase. Nova Scotia from \$138 to \$209 — a \$71 per pupil daily average attendance increase. I will not bore the house by going through all the provinces but I want to mention the three western provinces in particular, Mr. Speaker, Saskatchewan from \$192 to \$336 — or an increase of \$144 per pupil daily average attendance, an increase from 1951 to 1958. The province of British Columbia, from \$325 to \$385 or a \$60 increase, and the reason for this is the fact that the province of British Columbia contributed a larger portion in 1951 than did Saskatchewan. The province of Alberta, from \$214 to \$380, or \$192 per pupil daily average attendance.

Table no. 14, Mr. Speaker, on the same page, gives us some revealing facts, and shows the amount on per capita expenditure for 1946 and for each year 1951 to 1958 inclusive. Per capita expenditures in 1946 in the nine Canadian provinces were as follows: Prince Edward Island \$8; Nova Scotia \$12; New Brunswick \$11; Quebec \$14; Ontario \$16; Manitoba \$18; Saskatchewan \$14; Alberta \$13, and British Columbia \$16. Revealing also was the fact that increases in costs for elementary and secondary education increased in the period 1946-48 by the following amounts, and if we take the provinces and

take the year 1946 and compare this with the year 1948, this is what we find — in regard to the increase in the cost of education: Prince Edward Island in 1946, the cost was \$8, in 1958 \$26, — as a matter of fact the cost of education in Prince Edward Island in the period 46-58 more than tripled. And this same trend, Mr. Speaker, is noted in all the provinces throughout Canada. I am going to mention a few more. The province of Ontario went from \$16 to \$50 — that is on a per capita expenditure for purposes of education. The province of Manitoba from \$18 to \$46. Saskatchewan from \$14 to \$64. Alberta from \$13 to \$78. Finally, British Columbia from \$16 to \$63. This table, Mr. Speaker, clearly indicates that due to the location and economic conditions, certain Canadian provinces are at a disadvantage as shown by the distribution costs.

In a country, Mr. Speaker, as vast as ours, we have provinces that are highly industrialized and wealthy. We have other provinces that are not as wealthy. Some of our highly industrialized provinces where large manufacturing concerns are located are able to collect from corporations and therefore to better their financial condition. No one who reviews the uneven pattern of financial resources of the provinces today can be satisfied that in this rich, resourceful land we have not brought enough of the nations wealth to serve the educational needs of our youth.

Coming closer to home, Mr. Speaker, may I bring to the attention of the hon. members the trends in education costs as they affect our province. In 1950 total expenditures for education amounted to some \$24,753 million; 28 percent of this total cost was borne by the provincial government in form of grants. The total pupil enrolment was 172,069 pupils at a cost per pupil of \$144. Mr. Speaker, 6 years later in 1956, the total expenditure was \$42,146 million; 30 percent borne by the provincial government; enrolment 190,629 pupils at a cost of \$221 per pupil. One satisfaction, to the opposition is that our population is not increasing, however, both elementary and high school enrolment has increased in the province of Saskatchewan. Now may I take the year 1962, Mr. Speaker. The total cost for the year 1962, \$75.856 million, 45 percent of the cost assumed by the provincial government for a total enrolment of 229,000 pupils at a cost of \$337 per pupil. On the basis of a ten year projection, Mr. Speaker, the cost of education will amount to some \$114 million. This will give the Leader of the Opposition something to worry about just in case — \$114.058 million with a predicted enrolment of almost one-quarter of a million at a cost of \$454 per pupil.

Referring to the latter portion of the resolution, Mr. Speaker, for further aid to institutions of higher learning, namely our universities, in 1961 federal grants were made on a basis of \$1.50 per capita; on an average national grant for eligible students the total was \$265.09; for Saskatchewan,

Mr. Speaker, this worked out to \$249.41. In 1961 Saskatchewan received \$1.365 million out of an approximate \$11¹/₂ million budget given in the last annual report. If the province should be relieved of some of the university budgetary costs by unconditional grants from the federal government, Mr. Speaker, this would relieve the taxpayers supporting elementary and secondary education.

One argument that is used against federal aid to education is — where are we going to get the money? In recent years the federal government has acquired \$700 million worth of Bomarc B vehicles to carry nuclear arms, and to the knowledge of some of the best observers those vehicles are already obsolete. When we, Mr. Speaker, spend billions of dollars, and we have since the end of World War II spent \$21 billion on rearmament, surely we could find a few million dollars to give our young men and women an opportunity to receive the best education irrespective of where each may live.

It may also be suggested, Mr. Speaker, that federal aid of education to all levels may also mean federal control. The technique of federal grants in aid too, is well established and I am sure that this money, if it were granted by the federal government could be ear-marked as health grants are now in the field of health, or as grants for vocational education are ear-marked for vocational education, with no federal control interfering with the jurisdiction of any of the provinces.

Before concluding, Mr. Speaker, may I quote in part from a speech made in the house of commons by one of the most ardent stalwarts who fought in support of federal aid to education, Mr. Roy Knight, when he spoke in the house of commons on May 22, 1950, on federal aid to education, and may I quote:

The first right of every child is a minimum standard of education, based not upon wealth of the parent, of the local school district, or even of the province, but on the whole wealth and the resources of the whole country.

May I also base my contention on one other individual in the name of Dr. N.A.M. McKenzie, President of the University of British Columbia, speaking on educational finance, said, and may I quote from The Canadian Teachers' Federation booklet "Federal Aid to Education, and here's what Mr. McKenzie said. I quote:

I believe that if we are to continue to develop a Canadian nation more intelligent, more equitable distribution of national income resources and taxing power must be worked out. One of the

results of this should be and must be that more money will be made available to our educational institutions and to education generally than is now being provided.

Mr. Speaker, I take great pleasure in seconding the motion.

Hon. O.A. Turnbull (Minister of Education): — I thought that in view of the nature of the resolution I should acknowledge the extent of federal participation that already is in effect and perhaps acquaint the house with some of the facts of vocational development as it stands, vocational and technical development as it stands in Saskatchewan and a comparison with other provinces.

Members will remember that a little over two years ago, I believe, the federal government announced its proposal that would increase the federal sharing of 50-50 to 25-75 with the federal government bearing the 75 percent share as a means of stimulating vocational and technical development. This sharing was to be applied to capital equipment and the provinces generally picked up the offer with a good deal of vigor. The statistics which I have here would be perhaps of interest to the house because they indicate the amount of money that has been allocated or spent in finishing contracts, or contracts that have been approved as of July 15, 1962. They are a little bit out of date, as these figures I will give you will be less than the actual amount of money that was spent.

In the whole of Canada, total of all projects is \$394 millions and the federal share of this is \$255 millions. I think this an important fact and ought to be dwelt on just for a minute because it indicates that it is not a question, and nobody in the house should say that it is a question of whether or not federal government ought to participate in education because it is a well established fact of course that we already have this type of policy. The real question that faces the Canadian nation is the method by which the federal government ought to participate in sharing of educational costs.

The resolution as it stands before you calls for this in two particular ways, one would be by an extension of the existing agreement up until 1967. This I think is particularly important because the agreement that we now have, which is the one I formerly referred to of sharing 25-75 was to expire on March 31, 1963 and has been now extended until October 1st, 1963, provided that the contracts have been approved prior to April 1, 1963, and the work has been completed by October 1, 1963. So this extension, while it was welcome, and was accepted by all provinces as a bow

in the direction of extension of the agreements. I might also say that this extension was granted after all the provinces did have a conference in Ottawa and expressed the common desire that the agreement ought to be extended. Nevertheless, all provinces generally feel that they would like to see the federal government continue in the present arrangement, which is the sharing of 75-25 until 1967. 1967 is the time at which the existing agreement comes under review and presumably could be extended.

Three hundred and ninety-four million is the amount that has been spent under the terms of this particular agreement of 25/75 with \$255 million of it as Canada's share. Now all this money has not been spent on new schools. The concept, as I understand it, of policy was to do two things. One was to create employment by capital works and the other was to lay emphasis on the fact that we needed to diversify our secondary education system and allow opportunity of more students to stay in the system. One of the great questions of course that's facing our nation, and all nations, is the question of dropouts. At one time, not so many years ago, the members of the house will know, that a person with a Grade 8 standing, at least had an academic standing that had some significance. Now it has little or no significance when a young person tries to seek employment. We have all read statistics that there are some $1\frac{1}{2}$ to 2 million people on this continent who have never been employed for more than three weeks at a time and all these people are under the age of 23. These people apparently have been inadequately trained for one reason or another, and are in the very difficult position of being permanently unemployed. This is related to the whole field of technological development, the rate of automation, the rate of displacement of labor by capital and I will not attempt to enter into those rather complex subjects at this time. Our own particular groups feel, however, that the only way that this particular problem can be grappled with properly is to have a planning department by which investment can be directed, training can be directed so that you have more of a planned approach to the question of training and employment rather than the rather haphazard method that is used now. At the same time, of course, we bear in mind that there are limitations to it.

So \$394 million total expenditure, \$296 million on new projects; the balance of course was spent on additions to existing schools. Now the house, I think, would be interested in comparing the provinces in terms of what has been done because we are all interested in seeing if Saskatchewan has stayed in step.

The total new student places provided by this new investment is surprisingly small. This amount of investment will only provide for 121,761 new student places. You can see that the whole question, as we all know is really big business and as the former speaker just said poses significant

substantial questions in the whole matter of finance. I will now give the house in rough figures the amounts of money that have been spent by individual provinces. Newfoundland has spent \$20.3 million, this is total, the amount that is shared generally speaking 25/75 — there are some differences depending on the amount that is spent on existing structures and new structures but unless there are significant differences I won't bother to mention them. P.E.I. has spent 1.2 million, Nova Scotia \$6 million, New Brunswick \$6.3 million, Quebec \$25.4 million, Ontario, the province that got the big cut off the melon if we want to view it in those terms, got \$268.9 million, Manitoba spent \$4.8 million — when I am using the term spent, I mean the work that has been approved in final contract, the building either built or the equipment is on site and this amount of money can be called on — Saskatchewan has a total of \$10.2 million, Alberta 34.2 million, B.C. \$6 million about; and it is interesting to note that three-quarters of a million in Yukon Territories.

Now this doesn't tell the whole story. One of the questions that will come to the hon. members' minds is, what kind of mileage do you get out of this money. Ontario used this to a considerable degree, apparently, as you read the statistics to add only existing school structures and apparently used it in their overall secondary school system. If you look at the new student places provided, and measure this against the total amount of investment that has been called upon, you have some rather interesting costs per student placed. Newfoundland, the cost per student place is about \$6,000; Prince Edward Island is \$2,000 — and these are round figures, I won't guarantee to their exact accuracy to the last dollar — Nova Scotia is \$3,000; New Brunswick, \$3,000; Quebec \$6,000 — the same as Newfoundland; Ontario \$3,000; Manitoba \$2,400; Saskatchewan \$2,600; Alberta \$3,400; and B.C. up to \$4,000. The lesson to be learned from this, I think, is that there is a good deal to be watched here and that the planning of the building and the use and design of equipment must be carefully scrutinized so that our cost per student placed doesn't get out of hand. I am advised that any time that any province can get their costs down somewhere around the \$3,000 mark are not doing too badly and I must give credit here to Manitoba who apparently has come up with \$2,400, we are next with \$2,600, Alberta with \$3,400.

However, as I noticed, Manitoba, and our approach has been a little bit different, and I am not using this as an explanation for the difference, I just point out there are differences of approach within provinces. I noticed that in Manitoba there are a great number of expenditures of around anywhere from \$2,000 to \$6,000 per school and there is only one large block of money which is right in Winnipeg of about \$1.7 million on a technical institute. Alberta haven't followed that plan, nor have we. We have felt that at this

stage, we ought to be supplying technological development for our young people. Now, as I understand it and I am not a professional man in this business of education, the society in which we live is calling for people who are trained somewhere post-high school but not quite at the professional level. So there is a demand for people that can be described as technologists — you might have a person who has a technology degree in engineering. This would allow him to do considerably more work than maintenance engineering; it would allow him to be fully qualified to handle many modern electronic types of operations, but wouldn't give him sufficient training to put him into the professional designing engineering class. I am advised by universities, by professional engineering bodies and by the business community as well that there is considerable opportunity here for a large number of our people.

When we look at the statistics in Saskatchewan and see that of every 100 students that start Grade 2 there is only about 10 that graduate from Grade 12, and of the 10 that graduate from Grade 12 there will only be about 5 that get to university, and of the 5 that get to university there will be a little more than 1, 1½ perhaps that will graduate, and only .5 take post graduate, it strikes me that the educational system we have devised is not meeting the requirements in terms of academic ability of our people and when the business community tells me that they can place large numbers of people who are trained less than the professional level, it seems to me that we are wise to move towards building technology schools, which centred initially in Saskatoon and Moose Jaw. We started in Moose Jaw and we put an extension on that school because it seemed a logical thing to do, we could increase capacity by the least amount of expenditure there, and then the next school was built in Saskatoon. This school we hope to have in operation by the fall term of 1963. We hope to have several new features in it that I think hon. members will be interested in and I hope to have some announcements on this from time to time.

The other thing that I would like you to know is that the prairie area is attempting to grapple with the problem as a group. While I do point out there are differences between provinces, I don't want to leave the impression with the house, Mr. Speaker, that there is any rivalry between the provinces as to who is doing the best. We very well know this is an expensive business that we are in; we are sure that it is quite possible that one are or another might be particularly well suited to develop a certain line of technological development. When I say we very well know this, I mean to imply that no single prairie province has a rigid idea on this and that we have a co-operative approach. I would like to report to the house that we have had a series of meetings between the three western provinces on the question of uniform standards so that a person who is trained in one technological institute in one province will essentially get the same level of training as he would get in another.

This raises the question of how the teachers should be trained; the training of a technological teacher is a problem that no province has really grappled with. For this year, instead of trying to set up training requirements and the training facilities within Saskatchewan, we entered into what I thought was a sensible arrangement and we sent 15 people into Alberta to Edmonton and we are reimbursing that particular institution for the training of our own people. We also realize that scholarships would have to be significantly increased because by and large the people that are going into this line have to be well qualified, and by the time you get a person in this position he is already married and a family and is already earning a salary — he must have degree plus a journeyman's trade standard. These are significant requirements, therefore we issued scholarships which carried \$2,000 per student for the year.

Now, I thought that I would like to mention these things in a general way to let the house know perhaps two or three things. The first is that I think Saskatchewan has made and is making a common-sense approach to the question. We are not trying to go it alone, we are trying to keep in step with the prairie area in particular because our people move around a good deal, and in terms of Canada as well.

The whole Canadian picture isn't quite as good as the western picture — I suppose this is a matter of geography and association. The west I think is taking a good strong position in the question and the leadership that is being shown by the interprovincial western committee in terms of curriculum, and the standards of the graduate, I think will perhaps be useful in setting standards in the rest of Canada.

The other thing that I thought I would let the house know is that the whole question of the secondary school system is under sharp critical analysis by all people. When you start to look at what is going to be done about it you find that one of the big questions is a question of finance. Other members on this resolution have made mention of the size of the problem and I don't wish to rethresh this old straw. It's a well known fact that educational costs in the secondary area could quite conceivably double in the next ten years. We all agree that the method of financing education on property at this point in time becomes rather archaic, Mr. Speaker, and can't keep in step with the demands made upon it. I also put in a word of caution. I think there is a danger of society becoming over attracted to new ideas and new methods and new machines and new devices and I am not suggesting to you that we are going to have something that is shining and glittering and will answer all the questions; frankly there are a great number of unanswered questions. We generally take the same position that the department always has taken and that is that the primary thing is to get a solid secondary school base with greater emphasis on the hard sciences and the maths., with adequate base in the reading skills and writing skills. I think we will continue to stay in that

position. There are some unanswered questions that rise as a result of our rather sparse population, when you start to step out from the system that we have. It is inconceivable to think that every part of Saskatchewan and every smaller city of Saskatchewan can have the same degree of technological development as some of the larger centres will have. This does not preclude the possibility of development but it means that there must be an overall integration into it. I do believe that there must be ways found to involve local administration and local responsibility. How these matters are to be dealt with this time, I have nothing to report to the house other than to let you know that there are active discussions going on with boards of administration.

I think I would not say much more than that at this time, Mr. Speaker, other than to heartily concur that we would be most appreciative if the federal government would consider extending the terms of the agreement up until 1967. I have refrained in dealing particularly with the question of higher education, the junior college area and university area, and I would just like to say a word on that before I take my place.

The expansion in the university area as is forecast by board of governors in Saskatchewan and the university in Canada is even more breathtaking to me than the high school area. It is literally unbelievable to me, to the layman, to see the amount of capital expenditure that is going to be required if the increase in population and the increased length of stay that people will have as they stay in secondary schools, which turns out more people that are eligible to go to university, rolls through the university system.

I never really did believe, Mr. Speaker, that we would ever see the university of Saskatchewan with much more than 5,000 enrolment, but it is a well-known fact to all members in the house that we are well past that and it will be 8,000 before long, if it is not already 8,000. The development of Wascana Centre is well-known to all members and I am advised that within the foreseeable future there will be a student population of between 5 and 6,000 on this campus. And while staff problems and financing problems are a significant and heavy in the secondary school system, particularly staff for the university generally is an unanswered question. I have already given you in a rather rough and ready manner the number of people that take post-graduate work; generally speaking nothing less than people who have had post-graduate experience are useful in terms of professorial staff. Last year I think we turned out something like 230 Ph.D's in all of Canada. The total amount that have been turned out, of course, don't stay in Canada. There is a percentage of them that go to other parts of the world, and where are we going to recruit these people — I am now not just speaking of Saskatchewan, I am speaking of all of Canada in the university

sense — is not quite clear. I would expect, however, that the university area will reach down into the secondary school area and pick off the people that already have sufficient academic standing who could qualify for certain roles within the university area. This will rob us — and I am not speaking now of Saskatchewan; what I say will apply to Saskatchewan and also to all of Canada — of secondary school staff. And in view of the fact that we are now weakest in this area, and I am saying weakest now from the point of view of society in turning out useful citizens that can maintain our society, you can see how vulnerable the educational system is. Anything that I have said, Mr. Speaker, should not be taken as a criticism of those people who are now in the system. They are doing everything they can and are working hard in order to maintain and improve the high standard we already have. The facts as I have related to them in a rather general way are things that are entirely beyond the immediate control of the educational system itself. It is something that is happening to it. It will require the close co-operation of local government, provincial government and federal government if the society in which we now live is to progress and if we are to take our place in the world of tomorrow.

And with that, Mr. Speaker, I would like to endorse the motion.

Mr. A.C. Cameron (Maple Creek): — Mr. Speaker, I refer to this motion calling upon the federal government to accept a larger share of the cost of education in Canada, particularly through an extension of the vocational and training program to 1967 and to further institutions of higher education. This is the resolution before us. This is why I asked the lady member who introduced the resolution (Mrs. Strum) what she was speaking on, because in all kindness, Sir, I could not relate what she had to say to this resolution. I know it is very interesting to learn about industry in wartime and the loss of population that Saskatchewan suffered. It was interesting to learn some of the views of Confucius; it was interesting to learn some of the history of 4000 B.C.; it was interesting to learn the Jews were the first Christians — at least to review these things. I could not see how this was related to the resolution. I think the speaker herself realized that because she eventually asked, what has this to do with education.

I thought I would get a bit more enlightenment on this resolution from the seconder. But he proceeded to much the same trend about the great amount of federal money that had been spent on nuclear arms, and war, and arming ourselves for wars, and so forth. If we can do these things for war we can do them for education, and so forth.

I was happy, in the interests of presenting facts to the legislature that the minister saw fit to rise and to

bring to the house the content of the resolution itself. This resolution, as I understand it, is dealing solely with one phase of education, namely the technical and vocational end of education. As the minister pointed out, I think it was in 1959 or 1960, that the dominion government and the provinces made an agreement called the Technical and Vocational Agreement providing for Ottawa to give grants to any province that would set up technical schools and vocational schools. I understand that under the program as set out — a province could qualify for about nine different programs under this provincial-federal arrangement. One could qualify for a program for a vocational high school, technical training program, a program for trade in occupational training, a program for the training of the unemployed, a program for the training of the disabled, and a program that would train the teachers and qualify them to staff and give instruction in the vocational and technical schools.

This, Mr. Speaker, in my opinion, is a very, very worthy program. And I was happy to note from the minister's address that the provinces have entered into it in the spirit in which they have. I think the question arising here is not any modification of the program but rather a request that Ottawa would extend the time of termination of the program. I think under the present arrangement they pay 75 percent of the total capital cost of any technical or vocational school that a province wishes to build. In addition to that, Ottawa contributes 50 percent of the cost of instruction in that school, in order to develop this phase of technical and vocational training all across Canada. This program, as I understand it, ends on March 31st, 1963, but I was happy to know that the minister said it has now been extended until October 1963. The understanding is that after this date Ottawa will contribute, not 75 percent of the cost of construction, but will revert to 50 percent of the construction until 1967.

I was interested in his remarks on what some of the other provinces had done, particularly the remarks on what Saskatchewan had done. I noticed that we had estimated in 1962-63 budget an expenditure of approximately \$5.8 million. But I think in all fairness to future arrangements between the dominion and the provincial governments that when these facts are being given, the amount received from Ottawa be given also. And from \$5.8 million that we budgeted for, we will get back as a reimbursement from Ottawa \$4.3 million, leaving us a very small portion of the cost of construction of these schools. That is why we say we are spending \$2½ million on a technical school in Saskatoon, \$1½ million on addition to the technical school in Moose Jaw, and a proposed technical institution in Prince Albert. I would point this out, that it is because of the spirit of co-operation between the provinces and the federal government that this is able to come about. And that of this amount, Ottawa will pay 75 percent of the cost and 50 percent of the cost of operation.

I notice that Alberta has gone further — she has entered into the program to a far greater extent than we have in Saskatchewan. Alberta in her budget estimated an expenditure of \$16 million to build technical and vocational schools — from this amount of \$16 million of course she will get \$12 million back from Ottawa. And in addition she budgeted \$9 million in order to construct technical schools apart from the vocational schools, making a total of some \$25 million. We haven't gone to that extent. Alberta has a more vigorous undertaking than we have in Saskatchewan because she has stepped forward to prepare under these nine programs a program which would train instructors and qualify them to take a position in these vocational and technical schools. There is no need of building vocational and technical schools unless we have the trained personnel to staff them with, and so she is spending in addition many more millions to set up institutions designed purposely to train the staff that will take their place in these institutions when the program proceeds.

I regret that Saskatchewan hasn't seen fit to do anything in that regard but I was happy to note that the minister said at least we've sent, I think he said 15 people, to Alberta to be trained and we are assisting them in doing that.

That is the context of the resolution, and I could not give anything but wholehearted support to it, and I think perhaps it should be extended because this program is really as yet in its initial stages, and a great deal more can be done if we are not restricted to the time element. But when we are talking about education, and would create the impression as speakers did here that this is a solution to educational problems, I want to vigorously disagree. This program, excellent as it is, deals only with one particular phase of education. When we look at the whole field of education, education on the primary level, education on the secondary level, and on the university level, we get some conception of the tremendous problem facing Canada today in the field of education. It is true Ottawa contributes, I think it is \$2 per capita, for each one in our university. That is federal aid to education. This program is federal aid for education, not only in Saskatchewan but in Canada as a whole, we must recognize that Ottawa must play a more important role in financing education not only on the university and technical and vocational level but in the primary and the secondary levels. And I am prepared to go out and advocate and muster as much support as I possibly can to the idea that we must have federal aid for education on the primary and on the secondary level.

I think we should do everything to dispel this fear that if we permit Ottawa to contribute financial resources to education on the primary and secondary level, that we would

interfere with the rights of the province in regard to education. This program doesn't interfere with regards to Saskatchewan's rights in education. Aid to our universities doesn't harm our right in regards to education. And I am sure that we have sufficient ingenuity that we as Canadians can sit down together and we can formulate a plan in which we can draw financial resources from Ottawa on the primary and secondary level without in any way interfering with provincial rights in education. We have done it in many other fields, it is the pattern of today's co-operation between provinces and the dominion. And I think it is a pattern that must be followed and extended and promoted all across Canada, and I am happy to report that these thoughts are getting ever increasing support, nation-wide.

There are many other things I would like to say in connection with education on this resolution and for that reason, Mr. Speaker, I would beg leave to adjourn the debate.

Debate adjourned.

SECOND READINGS

Bill No. 1 — An Act to amend the Queen's Printers Act

Hon. H.J. Brockelbank (Provincial Treasurer) moved second reading of Bill no. 1 — An Act to amend the Queen's Printers Act.

Hon. H.J. Brockelbank: — Mr. Speaker, this is a bill to amend the Queen's Printers Act. It is a very short bill. Actually all it does is to provide that the Queen's Printer will be a part of the purchasing agency, and the Queen's Printer is in fact the purchasing agency for printing. This is one improvement in administration that we thought we could put into effect. I would move that the bill be now read a second time.

Motion agreed to and bill read the second time.

Bill No. 2 — An Act to amend the Income Tax Act, 1961

Hon. Mr. Brockelbank moved second reading of Bill no. 2 — An Act to amend the Income Tax Act. 1961.

Hon. H.J. Brockelbank: — Mr. Speaker, this is a bill to amend the Income Tax Act. Most of, in fact I think all of these amendments have been by request of the federal government because our Income Tax Act must match their Income Tax Act, and when we are in committee I hope I will be able to explain what the various sections mean. There is no change in principle in the bill, or change in tax rates or anything like that, and I would move that the bill be now read a second time.

Debate adjourned.

Bill No. 3 — An Act to amend The Limitation of Civil Rights Act

Hon. R.A. Walker (Attorney General) moved second reading of Bill no.3 — An Act to amend The Limitation of Civil Rights Act.

Hon. R.A. Walker: — Mr. Speaker, this doesn't involve any particular change in the law, it merely corrects a technical defect in the statute and I think that the matter can be just as adequately discussed in committee as a whole as in a second reading. It doesn't involve any important or fundamental principles. Therefore I move the bill be now read a second time.

Motion agreed to and bill read the second time.

Bill No. 4 — An Act to amend the Land Titles Act, 1960

Hon. Mr. Walker moved second reading of Bill no. 4 — An Act to amend the Land Titles Act, 1960.

Hon. Mr. Walker: — Mr. Speaker, this amendment to the Land Titles Act doesn't contain any substantial principle. It represents a general tidying up of the act, principally as a result of some changes in the tax enforcement acts. Later on there will be some amendments to the various tax acts and this act needed to be amended to be brought into conformity. The other principles are of a very minor nature and I suggest they can be just as adequately discussed in committee as on second reading. So, Mr. Speaker, with those words of introduction I move the bill be now read a second time.

Motion agreed to and bill read the second time.

Bill No. 5 — An Act to amend The Farm Security Act

Hon. Mr. Walker, moved second reading of Bill no. 5 — An Act to amend The Farm Security Act.

Hon. Mr. Walker: — Mr. Speaker, the house will recall that the Farm Security Act provides certain expiry dates in certain sections, some of them are for two years at a time, some are for three years at a time. This is an amendment to section 7 to extend its operation for two more years and it is just a routine amendment that we have every two years and there is no new principle here, Mr. Speaker, and I would move that the bill be now read a second time.

The assembly adjourned at 5:28 o'clock p.m.