

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session – Eleventh Legislature

Wednesday, March 2, 1949

The Assembly met at 3:00 o'clock p.m.

The Hon. Mr. Fines — moved: That Mr. Speaker do now leave the Chair.

He said: Mr. Speaker, this is the fifth occasion on which it has been my privilege to move that you do now leave the Chair in order that the House may resolve itself into a Committee of Supply for the consideration of the sums to be granted to His Majesty for the ensuing fiscal year.

When I moved this motion for the first time, I took advantage of the opportunity to remind the hon. members of its historical significance. May I again, in this first session of a new Legislature, recall that this motion represents one of the great traditions of our democratic heritage. It asserts the right of the common people, through their elected representatives, to control public purse and to prevent any taxes or levies being imposed upon them without their consent. This was one of the rights wrung from King John at Runnymede in 1215 – a right which has been reasserted throughout successive English monarchies. It is a right which has been jealously guarded by British Parliaments throughout the centuries. Today, all democratic countries recognize and cherish it as a cardinal feature of the rich legacy of democratic institutions handed down to us, which it is our duty and responsibility to preserve. Thus there is imposed on each hon. member of this House a very definite responsibility to scrutinize carefully the various items of expenditure and revenue which comprise the Budget.

During the past year economic conditions throughout the world have improved materially. Despite the so-called 'cold war' and the differences which tend to split nations into two rival ideological camps – a cleavage which unfortunately retards the re-establishment of world peace and the restoration of stable economic conditions on a world basis – it is nonetheless true that certain developments have taken place which have resulted in greater recovery in the economic sphere than seemed possible one year ago. This is particularly true of the western nations. A year ago the future of western Europe seemed obscure and uncertain. Today, while conditions remain disturbed and abnormal, progress has been made, and it is with some degree of optimism we contemplate the European scene. There has been a marked improvement in the economies of the war-ravished countries.

In the United Kingdom, while much post-war austerity continues to burden the people, they are, with a very typical courage, meeting their economic problems. Because of the great sacrifices they have made and are making, and a self-discipline they have imposed, and because of external assistance, the British people are well on their way to economic recovery. The dollar shortage remains an obstacle to be overcome, and, until that handicap is

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removed, we of these favoured North American countries must, and will, take a sympathetic view of their efforts and trials.

The past year was one of great economic development for Canada, one in which all previous records for production and employment were exceeded. Capital investment and expansion added nearly \$3 billion to the physical framework of the nation and despite the fact that the 1948 dollar was worth less in terms of goods and services than in earlier years, this represents substantial progress. Cash income from the sale of farm products during the twelve months ending June last amounted to \$2.25 million, the highest ever recorded. In spite of poor crops in a large area of western Canada and a sharp drop in the average prices of certain grains, farm purchasing power continued throughout the year at a high level.

The situation in the province of Saskatchewan during 1948 reflected the prevalent conditions across Canada. The high level of productivity and employment which has characterized the post-war years to date was maintained in most areas of activity, and in some, surpassed. The continuing upward trend in the prices of consumer and producer goods nullified to some extent the increase in average earnings recorded; but, by and large, conditions were buoyant.

I propose to review agricultural and non-agricultural production in Saskatchewan during 1948, in order to sketch the background against which the budgetary proposals of the government may be assessed. First, I shall deal with agriculture, our basic industry – the condition of which is the primary index of our economic and financial position.

The agricultural industry, in Saskatchewan as elsewhere in Canada, awaits a permanent solution to the problem of marketing its surplus production. As long as that problem remains unsolved, the stability and security of the agricultural community is on a temporary basis.

Despite drought in the western section of the province, and heavy losses suffered from insect infestation, wheat, oat and rye crops exceeded earlier expectations and ran considerably higher than in 1947. A serious drought, though checked in many areas by mid-July rains, resulted in low yields in most of the area west of the 3rd meridian. The extent of these losses may be gauged by the fact that some 45,000 farmers in the area received awards under the provisions of the Prairie Farm Assistance Act amounting to approximately \$12 million for the 1948 crop year.

Due largely to increased wheat production, the gross value of Saskatchewan's principal grain crops of 1948 was \$381.6 million compared with \$379,176,000 recorded for 1947. Wheat production totaled 191 million bushels valued at \$257.85 million against 170 million valued at \$229.5 million in the preceding year. The oat crop was up some 9 million bushels but lower average prices for oats, barley and rye brought production values well below those for each of these crops in 1947.

The livestock picture in Saskatchewan in 1948 reflected the generally unsettled condition of the industry. Liquidations began with the removal of federal controls from coarse grains in the fall of 1947, so that at June 1, 1948, the livestock population on Saskatchewan farms showed a marked reduction

from the figures at the corresponding date of the previous year. The same applied to poultry on farms, while marketing of hogs, sheep and lambs were substantially below the figures reported in 1947 as was the production of creamery butter, milk, cheese, eggs, and wool. On the contrary, honey showed a satisfactory increase.

Rather than confuse hon. members with a mass of figures relating to agriculture production, Mr. Speaker, with your permissions, and that of the Assembly, I shall include a tabulation of comparative production figures as an appendix.

As was the case last year, I am unable at this time to give hon. members complete details of the estimated farm cash income in Saskatchewan for 1948, which usually provides a reliable index of the current position of our farmers. However, it can be stated that the farm cash income for the first nine months of 1948 was \$127,174,000 more than in the corresponding period of 1947. During 1948, moreover, additional payments were made on Wheat Participation Certificates for the 1945, 1946 and 1947 crop years; a further payment of 50 cents per bushel was made on the flax crop marketed in 1947 and a final payment on the 1946 oat crop was distributed. In addition, certain adjusting payments were made on the 1947 oat and barley crops marketed between August 1 and October 21, 1947. These grain equalization and adjusting payments made by the Canadian Wheat Board and western grain companies will add an estimated \$115 million to the farmers' cash income, with the result that the total for 1948 may approximate the peak year of 1944 when the cash income of Saskatchewan farmers from the sale of farm products amounted to \$543,689,000.

Records of 1948 in other fields of primary production confirmed the opinions of those who have long felt that Saskatchewan's economy could be far more diversified than it has been in the past. Policies initiated and promoted by this government are beginning to bear fruit. Developments of the year, originated or proposed, have vindicated the wisdom of the government's programmes aimed at achieving a better balance in the provincial economy.

The estimated value of mineral production for 1948 is \$34,421,180 – an all-time record for Saskatchewan, almost \$2 million in excess of the high mark reached in 1947. Impressive as these figures are for Canada's youngest mineral-producing province, it is in the field of exploration and discovery that the culmination of this government's efforts will be seen. During 1948 the government's new programme for mineral exploration was put into operation, with results which already have attracted wide-spread interest, and which will eventually attract much new capital to Saskatchewan's great northland.

In 1948, for the first time, provincial geological parties were placed in the field, three in the northern mineral areas, two in the Cypress Hills doing gas and oil geology, and one group surveying gravel and water resources in an area lying between Moose Jaw and Maple Creek.

Last year, also, we established a policy of allotting prospecting blocks up to 500 square miles in area, in order to attract the larger mining and mineral exploration companies to Saskatchewan. In return for the protection given them under the concession block plan, these companies are required to pay a prescribed fee, and to enter into agreements to do a specified amount of mineral discovery and development work. By January 1, 1949, 16 such

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concessions blocks and been allotted to accredited companies. Under this policy, the province benefits from concession and other fees, from having a greater amount of prospecting done by well-financed companies, and from any mining development which may follow their exploratory activities. Reflecting the stimulating effect of these government policies, approximately 1,100 mineral claims were staked in Saskatchewan during 1948, compared with 337 in 1947 – more than three times as many. As a result of these policies, the northern frontier is constantly being pushed back.

The intensified interest in our northern mineral resources is paralleled by the increasing attention now being concentrated on Saskatchewan oil and gas possibilities. At November 16, 1948, leases were in effect on 199,963 acres of Crown-owned gas and oil rights; and 586,859 acres of subsurface permits and 3,045,508 acres of geophysical permits for gas and oil prospecting had been issued. Applications for a further 5 million acres of subsurface and geophysical permits were under consideration as the year ended.

Production of oil in the Lloydminster field continued to break all previous records, rising from an output of 614,117 barrels in 1947 to an estimated 865,715 barrels in 1948. During October last, some 113 wells were producing, compared with 67 wells in October, 1947. The production of natural gas reached an all-time high of 387 million cubic feet, an increase of 125 percent over that of the previous year.

During 1948 the Chaplin and Alsask sodium sulphate deposits came into production, the estimated value of the over-all output for the province being \$2,225,000 compared with \$1,793,680 in the preceding year.

The present estimate of \$3 million would appear to indicate that an all-time record for coal production value has been achieved in 1948, despite the fact that a labour dispute temporarily closed down mines which normally produce 40 percent of Saskatchewan's coal output.

Clay Production in 1948 rose to a value of \$552,000, an increase of 53.3 percent over that of last year.

Construction of the Prairie Salt Company's recovery plant in the Unity district is nearing completion, and operation is expected to start early in the coming summer. The Company's agreement with the government calls for an initial production of 25 tons of salt per day, and is expected to expand rapidly to 125 tons per day which is the projected capacity of the plant. Under the agreement, the Company will pay the government 30 cents on every ton of salt produced, or three percent of the selling value, whichever is greater.

Forestry production during the 1947-48 fiscal year had a value of \$6,178,177. This represents a decrease of \$423,650 from the preceding year, but conforms strictly to the government's sustained yield policy, and to our 20-year plan to save and perpetuate the remaining white spruce stands.

Value of wild fur production in Saskatchewan during 1947-48 aggregated \$2,507,775, nearly a million dollars more than in the 1946-47 fiscal period. The total value of pelts from fur farms was \$993,168 in 1947-48, compared with \$698,029 in the previous year. The fur conservation block programme for northern Saskatchewan has resulted in larger fur catches and is materially

helping to improve and stabilize living conditions of northern residents and trappers. Last spring, for example, the muskrat catch was the largest in history.

Commercial fish production rose slightly in 1947-48, the catch aggregating 8,022,869 pounds, valued at \$1,163,233 at railhead. An additional 3, 3,672,815 pounds were taken from Saskatchewan waters. A good start has been made toward placing the fishing industry on a sustained-yield basis, and toward improving quality and providing a steady return for those engaged in this occupation.

Uniformly high levels were maintained throughout Saskatchewan in 1948 in other phases of economic activity. Business generally continued to benefit from the prevailing buoyancy; inventories in many commodities were expanded. Using figures on employment and payrolls as a general indices, manufacturing, construction, and nearly all phases of trade and commerce not only maintained the 1947 level but, in some instances, continued the upward swing which followed the slight recession that occurred at the end of the war.

Cheques cashed in Saskatchewan during 1948 aggregated \$2,132 million and thus exceeded the record volume of 1947. Preliminary estimates of retail sales during the year give a figure of \$440 million compared with \$337 million reported in 1947.

These figures indicate that exchange of goods continued at the high post-war rate of turnover, the once discordant note being that they continued to reflect an inflationary trend.

Revenue freight loaded at stations in this province during 1948 was lower than in 1947 on the basis of returns for the first nine months of the year. The comparable figures are 5,817,000 tons to the end of September, 1948 compared with 6,668,000 for the corresponding period of 1947. There is little doubt that the freight rate structure is proving a handicap to the development of Saskatchewan industries. As hon. members are aware, the government has contested, and is contesting, applications of the railway companies for increases in freight rates. Our position is that any increase granted on a percentage basis must essentially aggravate discriminatory features of the existing rate structure. We shall continue to press for revision until all inequalities are erased and all discriminatory features eliminated.

It has always been, and will continue to be, the policy of the government to recognize that private, co-operative and public enterprise each have an important part to play in Saskatchewan's economic life. Clearly there exist fields of endeavour which private enterprise, operating on an equitable basis, is best able to handle. Furthermore there are fields of enterprise where the elements of speculation and risk make it unwise for a government with limited resources to invest large amounts of capital. These fields this government had no intention of entering, providing the consumer is not exploited by high prices and monopolistic conditions.

Equally there are enterprises where both producers and consumer can, through co-operative organizations, themselves reap the benefits of production and trade. It is well known that this government has done much to encourage co-operative enterprise.

But there are fields of enterprise which are clearly the concern of government. In the first place, it is the responsibility of any government to see that its citizens are able to obtain good and services on an adequate scale, and to obtain them at a cost which does not involve exploitation. In this category one might place such enterprises as power, telephones and insurance. In the second place, in a province so largely devoted to a specialized form of agriculture, a very real duty rests upon the government to promote the greatest possible diversification of the economy – thus mitigating the perils of relying too greatly on a single source of income.

It is this second responsibility which motivated the government to establish, as a Crown Corporations, enterprises which would help to diversify Saskatchewan's economy. A large number of them had never been tried here by private concerns with result that this government was admittedly experimenting in the diversification of Saskatchewan's agriculture and industrial economy. We did not expect that we would meet with 100 percent success. But we were confident then, and we are still confident, that, setting narrow political partisanship aside, the people of this province expect any government to attempt to develop a stable and healthy economy.

Unlike previous governments, the present administration proceeded to create Crown Corporations with this objective in mind. The Premier has already reported to the people of Saskatchewan on the results of our first four years of experimentation. There are certain Crown Corporations which have not demonstrated an ability to compete for markets, and at the same time make a profit. I should like to inform hon. members that it will not be the policy of this government to continue uneconomic industries.

There are other Crown Corporations which have yet to prove themselves. On these the government will make future reports to the people of Saskatchewan – honestly informing them of our attempts to build a healthier economy, and of the successes with which we are meeting these attempts.

The financial statements of the 11 Crown Corporations, including Power and Telephones, were tabled yesterday. These statements show that, except for the loss sustained by Saskatchewan Industries – the corporation administering the woolen mill, the tannery and the shoe factory – every other corporation made a profit during the year.

An examination of the statements show that Telephones has earned \$1,608,000 on total average advances of \$8,793,000, before interest is provided.

The Power Corporation earned \$1,125,655 before interest is provided on total advances of \$20,184,000, a return of 5.6 percent.

The other nine Corporations combined, including Saskatchewan Industries which sustained a loss, provided an overall surplus before interest, of \$418,480, or 6.4 percent on total average advances of \$6,563,646.

Thus it can be seen that, before making allowance of interest, but after providing for full depreciation, in the combined 11 corporations there have been net earnings of \$3,152,502, or 8.9 percent on total average advances throughout the year of \$35,540,000.

The surplus is somewhat less than it was last year. This is due in part to the fourth rate reduction in power, reducing the earning of that corporation by a considerable amount. Nevertheless the surplus is very satisfactory and shows that, on the whole, the industries, rather than being “costly social experiments: are more than paying their own way.

The Government Insurance Office has continued to provide an unparalleled service to the residents of Saskatchewan, coupled with a high degree of economy and efficiency. The value of gross premiums written for 1948 has exceeded the previous year’s total by \$376,757.70, and in spite of the growing volume of losses which has been felt by all insurance companies, a satisfactory surplus has again been shown for 1948. Additional protection for the motorist in the form of public liability and property damage insurance has been introduced; service to the public has been improved, and assets have been expanded by nearly 17 percent. A not inconsiderable contribution by the Government Insurance Office has been the assistance rendered to government finances by the investment of \$2.8 million in Saskatchewan government securities.

So successful has the compulsory insurance plan been that recently I was able to introduce an amendment to increase the benefits under it. In the year 1949 – 50 the automobile insurance plan will provide a total of six point coverage, as follows:

1. Accident Insurance, limit \$10,000.
2. Public Liability Insurance, limit \$5,000 one person, \$10,000 one accident.
3. Property damage insurance, limit \$1,000 - \$100 deductible in Saskatchewan only.
4. Collision damage up to the actual cash value of the vehicle – with varying deductibles beginning with \$100 on private passenger cars.
5. Fire losses, up to the actual cash value of the vehicle – with the same deductible as collision.
6. Losses due to the theft up the actual cash value of the vehicle – with the same deductibles as fire and collision.

Coupled with this extension of benefits under this insurance plan, I announced certain adjustments in rates. It is interesting to note that under the proposed system a 1932 Ford would cost \$4.50 in premiums, and a 1947 Buick Roadmaster would cost \$10.00. The same coverage bought from a private insurance company would cost the Ford owner at least \$18.50 and the Buick owner at least \$37.00.

The Telephones and Power Corporations have been equally successful.

During 1948, the number of telephones in the province has made a record-breaking advance with 7,000 new installations, bringing the total number of installations up to an estimated 119,000. Of these, 64,322, or 54 percent, are part of the Saskatchewan Government Telephones system. Long distance messages, which numbered 4.2 million for 11 months of the previous year, approached the 4.5 million mark during the same period in 1948.

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Power facilities have shared in the general upward trend, with an estimated total production for Saskatchewan of 312,865,000 kilowatt hours for 1948, an increase of 9.4 percent over the number of kilowatt hours generated in 1947, and an increase of 87 percent over 1939. In the space of four years, the generating capacity of the Power Commission has risen from 80 million kilowatt hours to 175 million kilowatt hours. In 1948 the Commission owned 4,190 miles of transmission line serving some 51,000 customer, compared with 1,626 miles of transmission line serving 13,000 customers in 1944. This means that there are 292 percent more customers being served today by the Power Commission than there were when the present administration assumed office. It means that this administration has, in four years, built or acquired 1.6 times as many miles of transmission line as were built or acquired by all previous administrations in 16 years.

Rural electrification should be mentioned. In 1947, there were 690 farms connected with our power lines and last year there were 985 added. That is, in two years, 1,675 farms were electrified. Compared this figure with the 13 farms electrified in the last two years of the previous administration.

The Saskatchewan Transportation Company has continued to pursue its threefold objective of affording the traveling public the best possible service, of operating without incurring a financial loss, and of operating a service which does not duplicate existing facilities. To this end, several new services have been inaugurated by extending existing schedules and introducing new ones, amount which is the popular weekend "Twilight Express" operating between Regina and Saskatoon. Today government buses travel 5,218 route-miles as compared with the 4,600 of a year ago. For the 12 months from November, 1947 to the end of October, 1948, actual miles traveled amounted to 2,388,904, a distance which fell short of the expected total due largely to the unusually difficult operating conditions imposed by a severe and prolonged winter. Even under adverse condition, it was possible to show a small profit on the year's operations.

No recital of economic condition can fail to acknowledge the importance of the co-operative movement which has for so long been a hallmark of the prairie economy. The co-operative movement has again contributed in full measure to the economic life of the province. Throughout 1947-48, the latest fiscal year for which full records are available, it has expanded its total volume of business from \$211,671,682 to \$219,899,032, and increase of almost \$8 million. During the same period, total assets, excluding those of credit unions, had risen to the level of \$63,853,806, representing an increase of more than six percent over the preceding period. Since then the number of co-operative associations has grown by a further four percent, and at the end of January, 1949, stood at 1,221. The total assets of credit unions have undergone even greater expansion amounting to \$8,323,040 at the end of December 31, 1948, and increase of \$2,045,433.

Among the leading and more recent co-operative undertakings are the erection of a new and modern plant by the Horse Co-operative Packing Plant at Swift Current, devoted to the processing of by-products, and the completion of a large flour mill at Saskatoon by Saskatchewan Co-operative Producers. Of more than passing interest is the emergence of the Federated Co-operatives in the role of an oil producer. During the year the Federated Co-operatives joined

with the Alberta and Manitoba Co-operative Wholesale to organize the Consumers' Exploration Company with the purpose of exploring for oil in western Canada. In consequence, the first co-operatively-owned producing oil wells have now been located in the Leduc field near Edmonton, Alberta, and the Federated Co-operatives are presently considering a second refinery.

The government and co-operative enterprises just described are something more than mere operations in dollars and cents. They represent a determination to temper the harsh "profit motive" criterion of progress by introducing the philosophy of the greatest good for the greatest number. But a realistic appraisal of our economic environment must acknowledge that against the background of production, industry and commerce, the activity of private individuals and organization bulk large. Despite the claims of its critics, this government is not concerned with regimenting our economy, but rather is concerned that the affairs of private enterprise be characterized by both justice and a sustained level of prosperity.

Turning now to the entry of a new capital into the province, a total of 123 new companies, with a total authorized capital of \$7,424,600, were incorporated this year. Further, 34 outside companies were registered in 1948, while 503 partnerships were also registered in the same period. A measure of the stability of existing enterprise is indicated by the statistics on commercial failures of which there have been practically none since 1944. Only four companies have been wound up under the Bankruptcy and Winding Up Acts since that date, compared with an average of 38 business failures per year in the period from 1939 to 1943.

Employment in non-agriculture industries has continued to increase. As June 1, 1948, employment in firms employing 15 or more persons reached 46,000, an increase of 2,000 over the corresponding date, one year previously. By November 1, 1948, the total had advanced to 48,000.

Average weekly wages of persons employed in non-agriculture industries maintained a steady advance. At June 1, 1948, in establishments employing 15 or more persons, they amounted to \$37.97 as compared with \$35.46 on the same date a year earlier. By November 1 the average weekly wage had advanced to \$40.86, representing an 11.7 percent increase over the figure for the corresponding date in 1947.

Higher levels of economic activity in Saskatchewan have had a direct effect on population figures. The Leader of the Opposition and his party will be pleased to know that they have somehow been misled about Saskatchewan's population leaving in hordes. Saskatchewan's population, rather than having declined during the first four years of C.C.F. government, increased by 9,000 persons. In 1945 our population was 845,000 persons; in 1948 it was 854,000. These figures are from the Dominion Government – from the Dominion Bureau of Statistics.

By contrast with the rising population during the first four years of C.C.F. government, it is interesting to note that in the last four years of Liberal administration there was a decline in population – a decline of 50,000 persons. From 896,000 in 1941 the population of Saskatchewan dropped to 846,000 in 1944. Since that time the C.C.F. government has been in power and the population is gradually coming back up again, standing now at 854,000.

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Turning to the financial position of municipalities two things are reflected – the higher level of economic activity in the province, and the extensive assistance that is being extended to local government units by the provincial government. Accumulated arrears of taxes for municipalities and L.I.D.'s have been reduced from \$44,463,364 in 1943 to \$22,193,007 in 1947. Matured debenture indebtedness of municipalities, school districts and rural telephone companies has been reduced from \$7,265,791 in 1942 to \$630,569 in 1946 and to \$350,555 in 1947.

In spite of the claims of our critics, it is well known that our local governments have received far greater assistance from this government than from any previous administration. Let me give members of this House and the people of Saskatchewan some comparative figures.

In direct grants to municipalities, our government has greatly increased payments to local government units in the fields of education, health, market roads, agriculture and social welfare. In 1943 – 44, education grants amounted to \$2,765,693, while in 1948-49 a sum of \$5,971,164 was appropriated for this purpose. A further increase in education grants will be requested for next fiscal year. In 1943 – 44 there were no health regions in existence, with the result that no grants were made for public health, medical care, diagnostic facilities or specialist services. But in 1948-49 a sum of \$460,442 was set aside for grants to health regions.

Furthermore, there was in 1943-44 no assistance provided by the provincial for municipal medical care schemes, or for hospital construction. But in 1948-49, \$110,000 was voted by this government for assistance to municipal medical care schemes, and \$300,000 was voted for hospital construction grants. Furthermore, payments to the hospital plan out of the consolidated fund, for the payment of hospital bills, will amount to approximately \$2,657,150 in 1948-49, while in 1943-44 only \$486,993 was paid to hospitals in the form of per diem grants. Grants for the construction and repair of market roads and equalization grants amounted to \$375,000 in 1948-49, an increase of 192 percent over grants made in 1943-44. Total agricultural grants for various purposes amounted to \$44,851 in 1943-44, while in 1948-49 a sum of \$260,345 was voted for agricultural grants to local government units. This represents an increase of 480 percent.

Finally, \$479,000 was set aside in 1948-49 as the provincial share of municipal social aid, compared with a payment of only \$265,533 in 1943-44.

Turning now to provincial services which indirectly benefit local governments, again I must point out that the municipalities are receiving far greater assistance now than they did in 1943-44.

There follows a table of provincial government expenditures for services which indirectly benefit municipalities.

<u>Provincial Government Services</u>	Provincial Govt. Expenditures 1943-44	Provincial Govt. Expenditures (est.) 1948--49
Preventive health services (not including grants for Health regions)	\$188,596	\$303,645
Correspondence School	62,254	100,152
Library Services (Traveling, Public Information, Regional)	17,117	58,064
Property Assessment	66,113	113,761
Adult Education and Recreation Services		112,301

Very significant too, in terms of financial relief to municipalities are the municipal functions which have been assumed by the provincial government since 1944. Whereas in 1943-44 health care for old age pensioners, blind pensioners, mothers' allowance recipients and dependants was the responsibility of the municipalities, the province has now assumed this responsibility - at an estimated cost of \$672,959 in 1948-49. Furthermore, municipalities previously were required to pay full hospitalization bills for indigents; now they may limited their costs to \$10 per indigent per year by paying the hospital tax. Then too the program of free treatment for cancer patients relieves the municipalities of paying for the treatment of indigents suffering from cancer. Meantime, the cost of the provincial cancer program has jumped from \$85,723 in 1943-44 to an estimated \$397,531 in 1948-49. In the filed of social welfare, the province has, since 1944, relieved municipalities of charges for the following welfare cases:

1. illegitimate children;
2. children over 16;
3. all charges for child welfare in excess of one mill of the municipal assessment;
4. cases handled by the children's Aid society in Regina.

As a result, provincial government expenditures have increased from \$166,486 for child welfare in 1943-44 to an estimated \$507,209 in 1948-49. Finally, provincial efforts to rehabilitate the Metis, costing approximately \$29,700 in 1948-49, have relieved some municipalities of the costs of social aid and health for these people.

No story of provincial assistance to municipalities would be complete without reference to debt charges. The 1935, 1936 and 1937 seed grain advances have been cancelled, amounting in all to over \$21 million. Cancellations of 1938 seed grain advances, together with refunds to individuals on 1938 seed grain adjustments, amount to more than \$11.5 million. Other cancellations of seed grain and relief accounts incurred back to 1917 amounted to \$7,381,232. There are not the only debts that we cancelled. In 1944 we cancelled our share of the direct relief advanced to those in need during the depression years amounting in all to \$33 million.

Relieving the municipalities of a burden of nearly \$75 million has meant additional revenues for them and, in fact, is equivalent to a very large annual grant. I trust that these figures will not be forgotten when comparisons are made with other provinces of our assistance to municipalities.

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I am satisfied that the various policies of this government have done more to assist municipal bodies than those of any other provincial government.

On February 21, I tabled the Public Accounts for the fiscal year ending March 31, 1948. These will be available for scrutiny of the hon. members in the Public Accounts Committee.

The Public Accounts show that expenditures for the year were \$51,772,523, and receipts during the same period were \$53,251,280, thus providing surplus of \$1,478,757 on the year's operations.

During the year \$5 million of liquor profits were taken into revenue, the balance being used for other purposes, including debt reduction. Had Saskatchewan followed the policy of other provinces of turning all liquor profits into the revenue fund, an additional \$2,920,528 would have been added to our surplus, making the total surplus \$4,399,285. During the past six years the province has had surpluses totaling \$9,326,650.

If to this we add the un-appropriated liquor profits the result would be to show total surpluses of \$27,802,868 in the past six years, an average of \$4,633,811 per year.

	Surplus	Unappropriated Liquor Profits	Total
1942-43	\$ 548,120	\$ 2,983,504	\$ 3,531,624
1943-44	4,471,886	3,335,872	7,807,758
1944-45	2,216,025	3,776,246	5,992,271
1945-46	490,833	2,355,448	2,846,281
1946-47	121,029	3,104,620	3,225,649
1947-48	<u>1,478,757</u>	<u>2,920,528</u>	<u>4,399,285</u>
	<u>\$9,326,650</u>	<u>\$18,476,218</u>	<u>\$27,802,868</u>

At the last session of the Legislature, estimated expenditures amounting to \$52,211,154 on revenue account were passed. In addition to this supplementary estimates of \$2,685,688 were tabled today, bringing the total estimated expenditures for the current year to \$54,906,842. The supplementary estimates for the most part were to provide for a cost of living bonus for civil servants, for the grasshopper menace, for a deficit incurred by the university, for increased food costs at our institutions and for extensive road repairs made necessary because of damage caused by the spring floods.

As indicated earlier, revenue during the fiscal year ending March 31, 1948 were \$53,251,280. This year to date revenues are considerably in excess of those at the same time last year.

Not only will we balance our budget this year, but again will have a very substantial surplus, as we have for the past several years.

During the course of my budget address a year ago, I pointed out that preliminary reports of the Dominion Bureau of Statistics indicated an increase of 12 percent in the gross national production, which would increase our subsidy by approximately \$500,000. This has now been confirmed and has helped to increase the revenues beyond the amount estimated.

Education tax receipts still continue to rise. This reflects, of course, the inflationary period through which we are passing, as well as the improved economic condition of a substantial number of our people. It also results from their ability to purchase goods which were in short supply during the war and the immediate post-war period.

During the year the federal government announced it was making available to the provinces certain grants to be used for health purposes. Some of these are outright grants while others are made available only on the condition that similar sums are spent by the province. To date the province has submitted for the consideration of the dominion projects amounting to \$730,000, a large part of which we hope will be approved during the present fiscal year.

While these health grants are appreciated by the province, it should be remembered that they all far short of the original proposals made by the dominion government at the dominion-provincial conference of 1945, when the dominion proposed to pay 60 percent of the cost of a complete or partial health insurance plan up to a total of \$21.60 per capita.

I regret to announce that during the year no further conferences were held or other steps taken by the federal government to implement the dominion proposals made in 1945. These proposals provided for:

1. Old Age Pensions for all over 70 years to be provided by the dominion.
2. Old Age Pensions for those in need from 65 to 69 years, provided jointly by the provinces and the dominion.
3. Dominion to be responsible for the care of all employable unemployed persons.
4. Health Insurance.
5. Public works programs to provide employment.

The early implementation of these proposals would give the people of Saskatchewan a greater feeling of security and would enable the province to plan for its future economic development with a greater measure of confidence. I trust that the dominion government will take whatever steps are necessary to see that the original social security proposals of 1945 are carried out at the earliest possible date.

At this time I would like to refer to the estimates of receipts and expenditures for the next fiscal year, copies of which were tabled and distributed. These estimates provide for a surplus of \$9,730 on revenue account. This is made up as follows:

Estimated Receipts on Revenue Account	\$ 49,110,950
Estimated Expenditures on Revenue Account	<u>49,101,220</u>
Estimated Surplus	<u>\$ 9,730</u>

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At first glance it would appear that both receipts and expenditures are being reduced from last year. Such is not the case, however.

This year I have endeavored to present the estimates to the House on a basis comparable to that used by the other provinces. For many years Saskatchewan has been the only province to present its budget on a "gross" basis.

At a Dominion-Provincial Conference on provincial financial statistics held in Ottawa in October, 1943, the following resolution was passed:

In view of the necessity for purposes of comparability and to ensure a better understanding of inter-fund and inter-governmental relationships, this Conference recommends that revenues (or receipts) and expenditures (or payments) on Ordinary Account be reported to the Dominion Bureau of Statistics on a 'Gross' basis; and that the Memorandum submitted to this Conference on this subject be referred to the Continuing Committee for its consideration and recommendation as to principles which should be followed in this regard.

However, Saskatchewan was the only province which continued to prepare its estimates on a "gross" basis, the others preferring to continue to show theirs on a "net" basis. I have, therefore, decided that, to create a better basis for comparability and to ensure a better understanding, the time has arrived that we should present out estimates on a net basis, as is done in the other provinces.

An examination of the printed estimates will show the gross expenditures of each department for purposes of comparison with last year. It will be seen, however, that from certain departments, five in all, there have been deducted certain reimbursements, in order that we might arrive at the net amount required.

The total of these reimbursements is \$7,378,190 made up as follows:

1. Treasury Department	\$1,808,460
2. Public Service Superannuation	350,000
3. Department of Education	71,360
4. Department of Public Health	357,770
5. Department of Social Welfare	<u>4,790,600</u>
	<u>\$7,378,190</u>

For purposes of comparison with last year, therefore, the estimated expenditures on revenue account are \$56,479,410, compared with \$52,221,154 last year.

As indicated earlier, the latter sum was insufficient to enable us to meet the rising costs, indicated by the 11.3 point increase in the cost of living index in 1948. As a result supplementary estimates amounting to \$2,685,688 were tabled. Present indications are that total expenditures during current year will amount to approximately \$55 million. Thus, the proposed increase for next year is about 2 percent.

Again I would like to point out, as in previous years, that we have been living in a period of comparative prosperity with very buoyant revenues. It is impossible to continue to expand our social services and other expenditures unless the Legislature is prepared to find new sources of revenue. As a corollary to this, it is impossible to consider reducing or eliminating any of the present taxes unless the Legislature is prepared to reduce or eliminate some of our existing social services. Frequently we hear criticism of high budgets, but to date in the House no one has suggested how they can be reduced to any extent.

I would remind the hon. members that we are living at a time when the value of the dollar has been reduced to 60 cents, and that, just as the householder finds it more difficult to meet rising costs, so too does the government. I am confident, however, that we shall be able to meet the increased budget without the necessity of introducing any new taxes or increasing any of the existing ones, and am therefore pleased to announce that this budget makes no provision for any increased taxes whatever.

One of the major increases in expenditure is that for agriculture. This year it is proposed to spend \$2,368,490 on revenue account and \$150,000 on capital account, a total of \$2,518,000 compared with \$2,043,300 last year. I would also remind the House that in 1943-44, total expenditures for agriculture were \$493,000, which is less than 20 percent of what is being spent today. I would also point out that expenditures for agriculture in Manitoba this year are \$627,000 and in Alberta \$1,245,000. Thus it can be seen that we are spending for the development of our basic industry about \$700,000 more than both our neighboring provinces combined.

It is our conviction that improved and expanded services to agriculture are essential to the long-term stability of our entire provincial economy. Hon. members will be asked to approve expenditures of \$722,730 for a conservation and development program. We consider the work planned under this new program to be fundamental to the future security of the province. Sound development of our land resources now will forestall some of the future ill effects of our extreme climatic conditions. Our efforts to establish farm families on economic farming units, through secure leasing arrangements and by re-settlement will remove much of the cause for land misuse. In fact, expenditures on agriculture are now directed towards removing, insofar as provincial powers allow, the basic causes of agriculture insecurity resulting from the natural hazards so peculiar to Saskatchewan, with consequent huge relief expenditures, breakdown of provincial and municipal services, large indebtedness, soil deterioration and actual suffering of people.

But our plans for agriculture carry much further. The people of Saskatchewan are striving towards goals of better living and improved services. With our dependence on farming, these goals demand increased farm production. Consequently, every possible effort will be made to bring the results of farm research and improved farm services directly to the man on the land. Combined with that, action projects, directed towards better land use and increased production, will be encouraged in every rural municipality and local improvement district in the province. Thus, farm people will be assisted in working out their own destiny and in building their own individual and collective security on a self-help and democratic basis.

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Increased expenditures on agriculture will add security to many individual farming units, and will place a sounder foundation under municipal and provincial services.

Hon. members will note that this budget, while providing for the most extensive health and welfare programs in Canada, is equally concerned with basic economic development. This expenditure of \$2,518,000 on agriculture, plus \$310,000 being asked for in the Capital Vote for land clearance programs in Department of Municipal affairs and Social Welfare will bear witness to our objectives.

This year we are asking the House to vote \$1,979,000 for the conservation and development of our natural resources. As indicated in my introductory remarks, great progress has been made this past year in creating an interest in the development of our mineral and oil resources. We realize that the general mining development is still in a very primitive stage in Saskatchewan. This condition is due to the fact that until comparatively recent years very little attention was paid to this development by former administrations.

One of the first steps was to determine what resources exist, their nature, their extent and their possibilities. During the past year, steps were taken to establish a Provincial Geological Survey and assistance was given to prospecting. This has already brought sensational results in new discoveries and in increased activity and interest. Provision is being made in the estimates for carrying on geological work over a large are of the province. Further assistance will be given in the development of oil and gas.

The Prospectors Assistance Program which commenced this year and which resulted in three uranium discoveries to date will be continued and expanded.

I feel confident that expenditure in this field, as in agriculture, will assist greatly in providing a healthy economic base for Saskatchewan. It will be an economic base on which we can more confidently rely to provide us with the revenues necessary to enable us to continue to introduce budges based on humanitarian principles. Production must be expanded if we are to continue our present level of social services, especially if we face a period of declining prices. It has been shown in Alberta how the development of a single oil filed can solve many of the problems of a Provincial Treasurer.

The Department of Social Welfare shows a proposed greatly increased expenditure on revenue account with a total estimate of \$12,219,390, an increase of \$1 million over last year. The major increase will be for old age and blind pensions. At the present time there are 16,000 old age pensioners and 500 blind pensioners. The number has been increasing at the rate of 110 old age and 10 blind pensioners each month. Thus it is anticipated and additional \$560,000 will be required to meet the cost of providing pensions for these additional persons.

The following table shows the budgetary effect of increased pensions and of the increased number of pensioners:

	Total	Dominion	Net Cost
	Expenditure	Share	To Province
1942-43	\$ 3,048,000	\$ 2,102,000	\$ 946,000
1943-44	3,644,000	2,416,000	1,228,000
1944-45	4,230,000	2,869,000	1,361,000
1945-46	4,798,000	2,980,000	1,818,000
1946-47 (11 months)	4,670,000	3,167,000	1,503,000
1947-48	5,689,000	3,983,000	1,706,000
1948-49 (estimated)	7,178,000	4,430,000	2,748,000
1949-50 (estimated)	7,737,000	4,790,000	2,947,000

There is also an increase in the cost of operating the various welfare institutions, including jails, nursing homes and children's shelters. This is due to increased costs of groceries and other supplies, and to the cost of living bonus.

In the capital estimates there is provision for a new Industrial School at a cost of \$325,000 to replace the one burned on January 26, 1948.

An additional \$370,000 is requested for the social aid branch. This is due to an increase of 15 percent in the social aid payments, and to an increase of 10 percent in the number of social aid cases.

Estimates for the Department of Education show an increase of \$527,000 compared with last year. In order to provide for increased grants to schools amounting to \$366,000 and an increase of \$185,000 in the grant to the University, it has been necessary to curtail drastically some of the other services in this department.

In addition to the \$7,613,600 estimated in the revenue account, there is \$2 million in capital account to be used to make grants and loans for school buildings and equipment. This will be of great assistance to the local districts. There is also \$1 million to be set aside by special Act of the Legislature to provide financial assistance to worthy students. It is the desire of the government to ensure that no student will be deprived of educational advancement because of financial circumstances. Thus there will be spent an estimated \$10,613,000 in education during the next year, much the greatest amount spent in one year in the history of the province.

Health estimates provide for total expenditure of \$10,756,000 during the next fiscal year compared with \$9,455,000 during the present year – an increase of \$1.3 million.

Of the increase, \$542,000 is for the mental hospitals, \$171,000 for the treatment of cancer, and \$500,000 for the hospitalization of cancer cases and old age pensioners.

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For the next fiscal year, it is estimated that our three mental institutions will cost \$4,010,000. In 1943-44, the entire cost of this service was \$1,601,000. The increase is due to four major causes.

- (a) no longer do employees work 72 hours, but are now on a 44 hour week;
- (b) no longer to attendants work for \$70 a month, but start at a minimum rate of \$120 a month;
- (c) prices for food, clothing and bedding suppliers for the 4,500 patients have increased about 70 percent;
- (d) the former custodial care has been replaced by remedial care with the object of rehabilitating the patients at the earliest possible time. This necessitates trained psychiatric staff with more time being spent on each individual case.

The expenditure of \$1,430,000 towards the hospitalization program should bring home to all the fact that the hospitalization tax does not pay the cost of the service. The increase in fees for dependants from \$5 to \$10 will not do more than pay for the increased cost of the service. The anticipated deficit is the same as that expected a year ago.

The expenditures of \$10,756,000 for health services in Saskatchewan compares with \$5,987,000 for Alberta this year and \$3 million for Manitoba. It is of interest to note at this point, too, that in 1943-44 our expenditure on health services in Saskatchewan was \$1,852,000, to which must be added \$943,000 spent by the Public Works Department for the mental hospitals, making a total expenditure of \$2,795,000. Compare this with the \$10,756,000 to be spent next year.

Hon. members will be asked to provide a total of \$7,654,000 for highways, of which \$5,754,000 is on current account and \$1,900,000 on capital account. This sum will allow us to continue to build up the highway system, as has been done during the past few years. Throughout the depression and the war years our highways were allowed to deteriorate to such an extent that by 1945 most of them needed to be completely rebuilt. We realize that the amount estimated for the next year will not enable us to do all the projects that are needed urgently, but it will allow us to meet many of the most urgent problems.

Included in the projects for next year is a sum to enable us to commence work on the bridge at Saskatchewan landing. At this time I would like to express the government's appreciation to all those who have participated in the sale of debentures to assist us in financing this long overdue project.

Occasionally we hear criticism of the government for not spending more money on highways. I would like to answer this criticism by placing on the records a comparison of expenditures on highways during two five-year periods.

	Current a/c	Capital a/c	Total
1940-41	\$ 1,703,000		\$ 1,703,000
1941-42	1,845,000		1,845,000
-1942-43	2,101,000		2,101,000
1943-44	2,852,000		2,852,000
1944-45	2,852,000		2,852,000
	<u>3,294,000</u>		<u>3,294,000</u>
	<u>\$11,795,000</u>		<u>\$11,795,000</u>
1945-46	\$ 3,908,000		\$ 3,908,000
1946-47	4,463,000	1,848,000	6,311,000
1947-48	7,435,000	1,405,000	8,840,000
1948-49	6,289,000	2,600,000	8,889,000
1949-50	<u>5,754,000</u>	<u>1,900,000</u>	<u>7,654,000</u>
	<u>\$27,849,000</u>	<u>\$ 7,753,000</u>	<u>\$35,602,000</u>

From this it can be seen that during the last five years of the previous administration there was spent a total of \$11,795,000, while in a similar period of time under a C.C.F. administration, 1945-50, there will have been spent \$35,602,000. In other words, we have spent \$3 for every \$1 spent on highways by the former government.

Members of the Legislature will be asked to approve capital expenditures amounting to \$13,616,000. It is proposed that this amount be allocated in the following manner:

1. Saskatchewan Power Corporation	\$3,600,000
2. Public Works Construction	2,172,000
3. Saskatchewan Telephones	2,000,000
4. Education – Building Program	2,000,000
5. Highways and Bridges	1,900,000
6. Saskatchewan Timber board – Working Capital	1,200,000
7. Land Clearance Programs	310,000
8. Crown Corporations Advances	258,000
9. Irrigation Development	150,000
10. Farm Loans Advances	<u>26,000</u>
	<u>\$13,616,000</u>

Such a program will do a great deal for the future economic development of the province. It will provide employment for thousands of persons. It will expand the productive capacity of the province. It will assist the rural municipalities and local school districts in providing much-needed facilities. It will improve the social conditions of large areas of rural Saskatchewan.

Such a program will not be a deadweight debt. It will for the most part be a self-liquidating debt. It is anticipated that the moneys to be spent for power, telephone, timber board, crown corporations, highways and bridges, land clearance irrigation and farm loads will not only be self-liquidating but will provide an over-all surplus. These make up 70 percent of the capital programme.

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I wish to assure the House that I do not anticipate any difficulties in financing such a program. The advances for the Timber Board will be arranged through the bank as in the past. The expenditure for education will be provided by the Education Fund. The Power Corporation and Telephones will themselves provide a large part of their requirements. Various sinking funds and trust funds will provide other sources of investment. I do not expect to finance more than \$5 million of the entire program by selling bonds on the open market.

I am pleased to report a continued improvement in the capital position of the province. Notwithstanding a very heavy capital program during the past year, the net debt has been reduced a further \$1,117,000, bringing the total reduction since April 30, 1944 to \$69,625,750. As indicated last year, this reduction is unparalleled in the history of any Canadian province since Confederation.

At this time I desire to place on the records comparative figures to indicate the reduction since April 30, 1944.

	April 30, 1944	Dec. 31, 1947	Dec. 31, 1948
Bonded Debt	\$125,244,954	\$126,928,773	\$138,322,423
Treasury Bills	92,910,900	56,427,764	49,098,810
Contingent Liabilities	20,016,607	1,240,916	1,140,460
Gross Debt	238,172,461	184,597,453	188,561,694
Less Sinking Funds	<u>23,919,341</u>	<u>38,852,888</u>	<u>43,934,324</u>
Net Debt	214,253,120	\$145,744,565	\$144,627,370
Per Capita	\$254.16	\$173.10	\$169.35

The increase in gross debt may at first glance give some feeling of uneasiness. A detailed examination, however, reveals that this increase is entirely due to bonds issued and held in our own sinking funds. Any interest paid on these goes entirely to ourselves.

The increase of over \$5 million in our sinking funds brings the total up to almost \$44 million, and continues to provide Saskatchewan with the second highest sinking fund of any province in Canada, and now provides an amount of \$51.45 per capita to meet our indebtedness.

Again, I should point out the debt statement does not take into account bank balances, which, necessarily, vary from day to day. It is always a pleasure for me to be able to assure the hon. member for Cannington, the former Provincial Treasurer, that his \$8 million has not been wasted away. As at February 15, it was, not \$8 million, but \$10,336,897.43.

During recent months we have heard demands from members of the opposition that services be increased. At the same time this government has been criticized by the same people for not reducing taxes. As Provincial Treasurer I feel it is my duty to deal with these contradictory demands.

Let me present a mythical budget based upon the promises of the Leader of the Opposition. I do this not to be facetious nor to be acrimonious.

I do so, sincere in the belief, that it is the responsibility of this government and of the Provincial Treasurer in particular to fully inform the public as to where the taxes are going – and to inform them of the consequences of reduced taxes and increased services.

Taxes, it was promised by The Leader of the Opposition, would be reduced. On the basis of the promises there would be a reduction in revenue from licenses and natural resources of \$1 million – due to decreases in truck licenses, mineral taxes, lumber and timber dues, grazing lease and hay-cutting fees, and in royalties. Promised reductions in the hospital tax would reduce revenues by \$3 million. Abolition of the education tax would lose to the government \$6 million in revenues. Abolition of the 3 cents of the gasoline tax would cost us \$1.8 million. Providing electricity and telephones at cost, as advocated frequently by the opposition, would lose to the province a revenue of \$1.8 million. In total, our revenues would be reduced, on the basis of Liberal promises, by \$13.6 million.

Let's turn now to expenditures to determine the cost of the services promised, to individuals suffering crop failure who do not come under the Prairie Farm Assistance Act would likely cost the government around \$6 million. A subsidy on milk was proposed, which at 1 cent per quart would cost \$751,880. To provide complete medical, surgical, dental, hospital, pharmaceutical and optometrical services through a dominion-provincial health scheme – assuming dominion assistance – would cost the provincial government \$7,775,400. This assumed too, by the way, that the municipalities pay their own share of over \$2.5 million. Deduct from the \$7,775,400 our estimated payment of the hospital plan deficit, and we see an increase in provincial government expenditure of \$6,345,400. To raise mothers' allowances, even by \$10 a month, would cost Saskatchewan at least \$312,000. It was promised that old age pensions would be increased to \$40 per month. This would increase this government's expenditure by \$1,020,000 per year. Homes for the infirm, increased to the optimum capacity, would cost \$790,000 annually. Increased blind pensions, at \$40 per month, would cost \$36,000 annually. The promised plan for the training of the physically handicapped would cost about \$375,000 per year. It was advocated, too, that the province assume full responsibility for the care of unemployables – involving an increased cost of \$253,250. Increased grants to schools and municipalities of \$3.6 million were promised. It was stated by The Leader of the Opposition that at least \$8.5 million should be spent each year on highways. This would be an increase of \$1 million.

These are not all the promises. 5,000 farms should be electrified each year; an extensive irrigation program should be started costing millions of dollars a year; new highway machinery should be bought by this government and loaned to municipalities; and there should be “a guarantee to farm owners who sell their lands that the purchase price will be paid”.

But taking the items that I have enumerated, alone, the opposition would increase our expenditure by \$20,483,000.

Few specific proposals for the decrease of expenditures have been made by The Leader of the Opposition. To abolish the Planning Board, the Bureau of Publications, the Public Service commission and the Adult Education Division, as suggested, would save about \$270,000.

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That would leave us with a net increase in expenditure of \$20,213,000. Couple this with the promised reduction of revenues, \$13,600,000, and you have a deficit of \$34,083,000.

I have gone into these detailed estimates to clearly establish that it is impossible to increase services and at the same time reduce taxes. There rests on every citizen, and especially on men in public life, the responsibility for recognizing the result, in costs, of providing extensive services. Criticism of a large budget is inconsistent with demands for increased services.

I wish to place on record a summary of the main increases in expenditure over the past five years:

	1943-44	1949-50	Increase
1. Health Services	\$2,902,000	\$10,756,000	\$7,854,000
2. Social Welfare	5,086,000	12,219,000	7,133,000
3. Education	4,073,000	7,625,000	3,552,000
4. Highways	2,852,000	5,754,000	2,902,000
5. Agriculture	470,000	2,368,000	1,898,000
6. Natural Resources	512,000	1,979,000	1,467,000
7. Public Works	519,000	996,000	477,000
8. Attorney General	847,000	1,175,000	328,000
9. Superannuation	401,000	664,000	263,000
10. Co-operatives	23,000	204,000	181,000
11. Labour	57,000	231,000	174,000
12. Municipal Affairs	510,000	666,000	156,000
13. Executive Council	68,000	216,000	148,000
14. Bureau of Publications	21,000	121,000	100,000
15. Purchasing Agency		55,000	55,000
16. Public Service Commission.	8,000	63,000	55,000
17. Legislation	146,000	195,000	49,000
18. Libraries	17,000	63,000	46,000
19. Supt. of Insurance and Electrical Inspection	39,000	81,000	42,000
20. Administrator of Estates	34,000	46,000	12,000
21. Provincial Secretary	8,000	12,000	4,000
22. King's Printer	23,000	26,000	3,000
23. Local Government Board	30,000	23,000	dec. 7,000
24. Treasury	<u>11,146,000</u>	<u>10,930,000</u>	dec. <u>232,000</u>
	\$29,800,000	\$56,700,000	\$26,900,000

I have placed these figures on the record in order that everyone can see just where this government has increased services, thereby increasing expenditures. I should like to ask members of the opposition if they wish to criticize this budget because of its size, to tell me specifically which items of expenditure they would reduce and what services they would cut to do so.

Four years ago, in presenting my first budget, I stated that as long as I occupied the important position of Provincial Treasurer, it would be my aim to balance the budget, not on the poverty or misery of the people of the province, but keeping in mind their needs; and that the budget, rather than being a "monetary budget" alone, must also become a "human budget, which would guarantee a minimum of social security to all.

It has been my privilege year after year to introduce such budgets to the people of this province. Each succeeding one has made a greater provision for the welfare of our people. But, in addition, this budget presented today makes greater provision for the economic security of our people – it proposes the expenditure of greater sums to provide us with a greater amount of new wealth.

I am confident that these expenditure will improve the condition of our people, enabling them to produce a greater amount of good and services. This, in turn, will enable us to finance an expanding program of social services. It is for this reason that I am confident that this budget will meet with the approval of the vast majority of our citizens.

Mr. Speaker, I move that you do now leave the chair.

The Assembly adjourned at 5:20 o'clock p.m.