

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**First Session — Thirteenth Legislature**  
**15th Day**

**Wednesday, March 6, 1957**

The House met at 2:30 o'clock.

On the Orders of the Day:

**BUDGET ADDRESS**

**Hon. C.M. Fines (Provincial Treasurer):** — Mr. Speaker, in rising today with the time-honoured Motion of Supply, I want first to add my congratulations to those already so ably expressed in the House on behalf of all the members, old and new. I must express my personal good wishes to you, Sir, upon your election to the respected, yet difficult, task of presiding over our deliberations. The first session of a new Legislature is properly an occasion for these congratulations. At the same time, I am sure many of the Honourable Members will share with me a sense of regret over the departure of many good friends of the last Legislature. To those whose retirement was voluntary, and I think among others of your worthy predecessor, go our thanks for a job in the public service well and ably done. To those whose departure was involuntary, goes the reminder that under our democratic system they will in due course have an opportunity to compel a similarly unwilling retirement of at least some of us present here today.

It is also fitting on this occasion to call to our minds the enlarging scope of responsibility facing this House. Today, under the impact of advancing technology and revolutionary change in social attitudes and institutions, modern government is called upon to play an increasingly broad and vital role. Hence the decisions taken in this House are more critical in terms of the everyday life of our citizens than ever before. Few of these decisions are more crucial than those with regard to the annual budget. Thus every member of the Legislature faces a grave duty to study the budget with care; to give thought to the significance of the revenue and expenditure items separately and as a whole; and to provide the most constructive criticism possible. As I shall indicate later, this year we are taking an extremely important step forward to assist Honourable Members in the more effective discharge of these responsibilities.

**ECONOMIC REVIEW AND OUTLOOK**

A brief consideration of economic trends both here at home and in the national and international setting is an integral part of the annual budget message. Referring first to the provincial economy, I think we can look back upon 1956 with considerable satisfaction and pride. Preliminary estimates indicate a total net value of commodity output of more than \$900 million, about 12 per cent higher than in 1955. The growth in physical output was accompanied by a parallel expansion of the service

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industries. Consequently, personal income payments rose to about \$1.16 billion, an increase of approximately 14 per cent over the previous year. Per capita-wise this is just about equal to the national average. Personal savings and expenditure similarly advanced, and retail sales registered a gain of almost 9 per cent, compared to the national figure of 7.4 per cent.

The bumper grain crop produced on Saskatchewan farms last year is valued in the aggregate at \$700 million, the third most valuable crop in Saskatchewan's history. With respect to the cattle, hog and dairy industries, extremely mixed patterns in prices and volume of marketings were evident in 1956, but the overall result was an increase in cash income of about 8 per cent over 1955. Farm net income for the year is estimated at about \$400 million, some 24 per cent higher than 1955. Due primarily to improved grain marketings, total farm cash income rose to \$594 million, one-third higher than the year before, but somewhat short of the previous five-year average.

In spite of this welcome improvement, the farm cash shortage in Saskatchewan has by no means been overcome. Part of the difficulty stems from retarded grain deliveries just at the time when farm expenses normally reach a peak. In the period from 1942-43 to 1954-55, roughly 60 per cent of total wheat deliveries in Saskatchewan were made between August 1 and the end of the calendar year. In 1956-56, however, less than 25 per cent of the total crop year deliveries were made during the same months. In the fall of 1956, the rate was only 33 per cent of anticipated marketings for the crop year, or about half the normal rate. When combined with the lack of uniformity in grain delivery quotas, this results in a continuing cash shortage for many areas. In my view, it certainly points up the advantages of a permanent system of cash advanced on farm-stored grain. This is a need which will continue so long as the grain surplus situation remains. Indications are that by the end of the present crop year farm stocks of grain in Saskatchewan may approach 260 million bushels, the highest level in history.

A further basic difficulty of 1956 was the fact that cost-price relationships in western agriculture continued to worsen. Since 1951, the index of farm prices in Saskatchewan has fallen by some 22 per cent while farm costs have risen by almost eight per cent. Expressed in another way, the parity ratio reflecting the relationship of farm prices to farm costs fell by over 27 per cent from 1951 to 1956.

Fortunately for the provincial economy as a whole, the difficulties in agriculture were counterbalanced by the continuing growth of non-farm industries. Although agricultural output was close to record levels, it is estimated that these other industries contributed about 42 per cent of the net value of physical production. In view of the growing interdependence of the various sectors of our economy, we might well take note of some of the implications of industrial growth for rural Saskatchewan. First is the general increase in employment opportunities necessary to absorb workers moving from the farm. Second is the fact that many of the new industrial projects will allow farmers to combine part-time employment with their farm

operations. Third, the rural areas stand to benefit from the goods and services supplied at lower cost by our new industries, and from the growth in markets for farm products provided by rapidly growing urban centres. Finally, industrial development is yielding new revenues to the Government to help pay the cost of bringing expensive services to the scattered farm population.

I shall not attempt to repeat here the familiar story of industrial expansion. Suffice to say that mining, forestry, electric power, construction and manufacturing all witnessed further concrete gains in 1956 and raised the prospect for even more significant future development. The rates of increase in gross values of production ranged up to as high as 40 per cent in the mineral industries, where the latest estimate of value of output is now placed at about \$121 million.

In reviewing the progress made in this province, it is gratifying to know that a population increase of 48,937 people has been achieved during the past five years. The 1956 census count stands at 880,665. This is a very welcome change from the trend experienced from 1936 to 1946, when our population fell by 99,000, and the subsequent five years to 1951, when population remained static. The gains of the past five years are clear evidence that Saskatchewan is meeting increasing success in overcoming the "economic" and "technological" factors which were draining away the province's population during the thirties and early war years at an alarming rate. The available data suggest however that the adverse crop conditions of 1954, together with the unfavourable marketing situation in 1955, accelerated the movement away from the farms particularly in the eastern and northeastern parts of the province. The census figures also indicate that we must not slacken our efforts to diversify the province's economic base, and thus overcome the hazards of the one-crop economy.

The development of our economy at home in 1956 took place against a similar upswing at the national and international level. Throughout the free world, the year was generally the scene of vigorous expansion, until the sharp dislocation caused by the crisis in the Middle East. Among the more immediate and serious effects of Suez was the strain placed on the western European economies which are so dependent on Middle Eastern oil. It is now apparent that economic activity in Europe has been cut back, and the dollar exchange position of these nations has again been adversely affected.

Canada, itself, was among the most rapidly growing nations of the world. Production and employment, together with income, continued to climb steadily. For the second year in a row, the "gross national product" advanced by more than 10 per cent. As much as one-third of this rise, however, was a reflection of higher prices.

Unlike the 1955 experience, Canadian expansion during the past year was marked by physical limitations of both manpower and materials. Difficult inflationary pressure consequently developed. Capital investment programs were the prime dynamic factor in the economy. The large inflow of foreign investment funds which accompanies the nation's capital expansion

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was largely responsible for counteracting a record high current account deficit in our external trade. At the same time serious strains on the availability of capital funds developed, resulting in a marked rise in the level of interest rates.

### **OUTLOOK FOR 1957**

In turning to the outlook for the year ahead, we need first to examine prospects for marketing the carry-over stocks of grain and the future 1957 crop. In contrast to 1955, world trade in wheat and flour has expanded since mid-1956 to levels higher than any since the war. Canadian exports have shown some increase. The lion's share of the enlarged markets however, has been captured by the United States, as a result of vigorous government policies in sales and surplus disposal programs. Moreover, earlier prospects for near record levels of Canadian wheat and flour exports in the 1956-57 crop year now appear to be waning. The accelerated pace of the U.S. disposal program, greatly improved crop prospects in Europe, and stiffer competition from the Argentine are all exerting a bearish influence. Similarly current sales to Eastern European countries are lower than a year ago. The latest reports indicate, therefore, that exports in the current crop year are not likely to show much improvement over the 1955-56 level of 308 million bushels.

Looking toward 1957-58, unless the Federal government can bring a new and more imaginative view to the problem of selling Canadian wheat in competitive world markets, it may well be that exports will again turn downwards. We can hope that the momentum of current marketing conditions will prevent a serious decline. The current picture suggests, however, that – with clouded export prospects – somewhat lower levels of farm cash income may be in sight.

At first glance the outlook for the rest of the national economy is reasonably bright. The pace of the current boom remains high, and the monetary authorities suggest that inflationary pressures are still very strong. Consumer prices and producers' costs are still tending upward, and investment intentions in 1957 show a further 5.7 per cent rise over last year. On the other hand, there is some concern that the boom may have reached a turning point, and that slackness in the economy might develop by the year-end. The trend of basic commodity prices is uncertain, the rate of capital expansion is slowing down, and sharper competition is developing in many export markets. On balance it seems best to anticipate continued growth for the first half year, followed by some levelling off in economic activity by the year-end.

Within our own province the growth factors in the non-farm industries remain favourable. Based upon the encouraging experience of the past year, investment in resource development should continue at a high rate. The oil and gas development program is likely to expand still further, and it is predicted that oil production may rise to 35 million barrels this year. Uranium output is expected to double in value, and promising discoveries may bring still greater activity to our vast northern regions. The expansion

of the potash and coal industries is positively assured, and prospects for a start on pulp and paper are coming closer to realization. The stimulus imparted by this basic resource development – accompanied by the fuel and power program of the Province – is spurring the growth and diversification of secondary manufacturing. The resulting enlargement of the service industries is particularly evident in the rapid growth of our urban centres. Finally, total investment should remain at very high levels, with expanded programs of public construction offsetting some decline in such areas as housing.

In summary, barring sharp deflationary forces from beyond our boundaries and the still unpredictable hazards of nature, I think we can look forward to another good year for Saskatchewan. Our budget proposals for 1957-58 are thus keyed to the expectation of continuing economic expansion.

### **DOMINION-PROVINCIAL RELATIONS**

With this very brief sketch of the economic background to the budget, Mr. Speaker, I proceed now to explicit financial questions. Let me begin by commenting upon several important developments in the field of inter-governmental fiscal relations.

First with respect to matters of Dominion-Provincial concern, I should refer to the Unemployment Assistance Agreement. A year ago I outlined the details of the federal proposal on this problem and reported that we felt there were serious weaknesses in it. Shortly after, we announced that the potential assistance under the scheme would be largely passed on to municipalities. This was effected by raising the provincial sharing of municipal social aid costs from 50 per cent to 73 per cent, retroactive to July 1, 1956.

Federal re-imbursments have now been received covering the thirteen-month period ending July 31, 1956. In this period a total of \$2,145,000 was spent on social aid and unemployment relief. It is interesting to note that of this total, the federal government provided \$523,000 or 24 per cent; the provincial government, \$1,310,000 or 61 per cent; and the municipal governments in total, \$312,000 or only 15 per cent.

A second major question in our relations with the Federal Government concerns the progress, or lack of progress, in the development of federal support for hospital services. Honourable Members will know that at the present time only Saskatchewan and British Columbia have hospital services plans of a type that substantially meet the requirements laid down by Ottawa. We have therefore urged: first that just as it always has in other shared-cost social security programs, the Dominion should join immediately with any one or more provinces ready, anxious and willing to get going; second, that the plan should certainly include full coverage for mental illness and tuberculosis as well as general hospital care; and third, that it should be developed into a full proposal for comprehensive health

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insurance, including medical, surgical, dental and other types of essential health care. We have also been anxious that other provinces should undertake to meet the conditions laid down by Ottawa as soon as possible. This is not merely because of the financial assistance which would become available to us. Even more we believe that the Canadian people as a whole should share in the benefits of comprehensive hospital insurance protection at the earliest possible date.

So far, unfortunately, there has not been the slightest indication from Ottawa of any interest in improving its proposal. Nor is there any reason to think that I was unduly pessimistic when I suggested a year ago there was little prospect of federal financial support becoming a reality before 1958. Indeed, it now seems as remote as 1959 or even 1960. The most encouraging development has been the fact that Ontario has recently been negotiating with the Federal Government for approval of a concrete plan proposed for that province. Premier Frost has stated, however, that because of the many administrative problems to be overcome, the Ontario program will probably be delayed until January, 1959. Even with Ontario's entry into the scheme, it will still be necessary to enlist a sixth province before federal participation is assured. In short, and with the utmost regret, I must advise the House that we cannot yet expect the early implementation of the promises of health insurance, first made by the federal Liberal party, as I recall, in 1919.

The third important Dominion – Provincial fiscal question concerns our future policy regarding the personal income, corporation income and succession duty tax fields. In the budget address last year I explained in detail the proposals of the Federal Government to substitute a new system of tax sharing in place of the rental arrangements which have been in effect for the past ten years. It has now been announced that legislation will be introduced this session enabling the government to enter into an agreement providing for the rental of provincial rights in all three tax fields under the new proposals.

Since my last report to the House on this matter, considerable further negotiation has gone on between the Dominion and the provinces. Much of this has been of a technical nature and need not be considered here. There is one central point, however, upon which all the provinces have made a unanimous demand. This is the contention that the share of these tax revenues allotted to the provinces under the new arrangements is completely inadequate to meet the rapidly expanding costs of provincial and local government services. Ottawa, however, has not budged from its position of one year ago. Hence the increase in the amount available to Saskatchewan in the next fiscal year is estimated at only \$3.5 million more than if the existing rental agreements had been continued without change.

A number of provinces, including Saskatchewan, have also argued that while the explicit recognition given to the principle of equalization is a welcome step, the formula still fails to make adequate provision for those regions of the country most severely handicapped by low per capital income and a deficient tax base. We have also made representations on two

further major points. The first of these was a proposal to assist the provinces in financing their share of a national health insurance program. This could be done by giving the provinces the right to levy an income tax surcharge earmarked for health insurance and treated as distinctly apart from the standard rates. It would thus be closely parallel to the existing federal Old Age Security tax. Our second main request has been that the new arrangements should eliminate an illogical and anomalous situation under the expiring agreement. This has to do with the fact that in the past the definition of "minerals" explicitly excluded "petroleum and natural gas". As a result the rights of the provinces to tax the utilization of these resources is more restricted than in the case of any other minerals. It is thus clearly discriminatory against those regions where freehold oil and gas are an important natural resource. We have urged that under the new arrangements this discriminatory situation should be corrected.

Needless to say, the Government has given the most careful study to the whole problem before reaching the decision to rent our taxation rights again. The basic advantage of returning to the direct provincial use of the three tax fields is that it would reserve to us a desirable measure of fiscal independence and flexibility. If we decided not to rent we would retain the complete right to vary the level and incidence of provincial income taxes, in such manner as required by our total fiscal position or by the economic and social needs of our community.

Unfortunately, because of the present high level of federal taxation, provincial flexibility is more theoretical than real. It is severely restricted by the obvious importance of avoiding duplicate and overlapping taxation. Moreover, even while acknowledging fully the advantages of provincial independence, we continue to believe that adequate powers of fiscal control should be preserved to the national government if it is to discharge its clear-cut responsibility for maintaining full employment in a stable, yet growing economy. We are all familiar with the many stresses and strains which have arisen from the present use of monetary policy as almost the only weapon for restraining inflation. These difficulties, I suggest, point clearly to the importance of the widest possible fiscal powers as necessary tools in national economic policy.

### **PROVINCIAL-LOCAL RELATIONS**

I turn now to the second broad phase of inter-government fiscal matters – our relationships with the many hundred local government units of the province. The most significant development in this field, of course, was the convening of the precedent-making conference which took place in this same chamber last December. Most members of the House took advantage of the opportunity to attend and I observed that they gave the most careful attention to four long days of protracted and difficult dis-

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cussion. Personally, Mr. Speaker, I was deeply impressed by the event. I am certain, too, that few of the six hundred people in attendance will disagree with me when I say that rarely, if ever, have we witnessed in Saskatchewan such a masterly display of skilled leadership as was given to the Conference by its chairman, Premier Douglas. His unerring ability to keep the involved proceedings on the track, his consistent impartiality and unfailing courtesy throughout the sessions, and his touch of humour at the needed moment kept the delegates moving co-operatively toward a goal of vital importance to the future of our province. I want to say how gratified I myself felt when upon a motion presented by a former member of the official opposition in this House, the Conference rose in a standing ovation to the Premier.

It will not be necessary for me today to review the broad scope of the Conference proceedings. But since provincial-local fiscal relationships obviously go right to the roots of provincial finances, a clear understanding of the Governments position is fundamental.

Both the Premier and myself, in remarks to the Conference, re-affirmed the Government's long-standing program of dealing local government in on the Province's increasing revenues. Our budget studies had advanced to the point last December where we were able to announce that we should recommend to the Legislature a substantial increase in direct payments to local jurisdictions. The increase proposed amounted to some \$7 million, not including the estimated higher payments to local and union district hospitals under the Hospital Services Plan. If these latter are included, the increase in transfers over the current year amounts to about \$9.2 million. In 1957-58, the total amount of the specific provincial transfers of all types referred to here will exceed \$38 million.

Large as it is, this expanded financial transfer may be looked upon primarily as an interim emergency step. So far as our present and prospective revenues will permit, the provincial government is anxious to find a more fundamental solution to the problems of local administration. The primary purpose of the recent conference was to seek the co-operative support of local government itself in this endeavour.

The fact is that our whole approach is based upon the conviction that local government has an immensely vital role to play in our broad and growing province. Legally speaking, local government units are creatures or instruments of the province. But their real and traditional importance as vehicles of democratic self-government far outweighs this mere legal status. Our central objective is to preserve and strengthen active interest and participation in public affairs at the local level. To my mind this involves two essential elements. First, local government must be entrusted with important and challenging responsibilities. Second, it must be invested with the organizational size and strength, and with the financial resources and independence adequate to measure up to its job. In my remarks to the Conference, I put forward, purely for purposes



of discussion, some of my personal views on the problem of improving local fiscal ability. I am hopeful, however, that the continuing committee agreed to in principle by the Conference will be approved by the participating organizations. It will have the formidable task of advising the Government as to how the fiscal and other basic requirements for effective local government in our province can best be achieved.

### **FISCAL YEARS 1955-56 AND 1956-57**

At the opening of the session, the Public Accounts for the last fiscal year were tabled. These show that for the fifteenth successive period, a surplus on revenue account was achieved. Revenues amounted to \$84,847,141 and expenditures to \$84,809,856, thus providing a surplus of \$37,285. Liquor profits for the year amounted to \$10,142,638. Of this amount \$1,050,000 was transferred to revenue account, as forecast in my budget address a year ago.

Revenues during the present fiscal period are higher to date than one year ago. The unprecedented capital expansion program has resulted in higher education and hospital tax revenues, and gasoline tax receipts. Revenues from our mineral resources are considerably higher than were estimated. It will not be necessary to transfer any of the liquor profits to balance the budget in 1956-57.

### **PUBLICLY-OWNED BUSINESS ENTERPRISES IN 1956**

I am also able to report a highly satisfactory year in the operations of the publicly-owned business enterprises. The total volume of sales and services advanced to almost \$57,000,000. In several companies, however, rapidly rising costs cut into profit margins, so that their gross earnings before interest costs are lower than in the previous record year.

Although completely audited figures are not yet available, I should like to place on the record a summary statement of financial results. As the statement shows, the whole group of companies achieved gross surpluses inclusive of interest charges of some \$10,786,000, about 14 per cent higher than in 1955. The investment of the Province, represented by capital advances outstanding at fiscal year ends, totalled \$162,176,000. By far the largest portion of these advances and earnings were concentrated in the power and telephone utilities. After making full provision for interest these two companies are expected to net about \$4,773,000. Following our usual policy, every last cent of these earnings will be retained by the utilities to help meet the tremendous demand for the expansion of capital facilities. In addition, as I shall indicate later, a new record sum will be advanced to them by the Treasury for this capital expansion.

As for the dozen smaller companies operating under the

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Crown Corporations Act, the statement shows that two divisions incurred deficits. These losses amounted to \$236,000 and are contrasted to the total gross earnings of \$1,180,000 achieved by the remaining companies. The overall result is a return of \$944,000, representing a dividend of 9.85 per cent to the Treasury on its outstanding advances. In addition, it may be noted that those corporations earned a further \$743,000 in royalty payments for the Government and paid grants in lieu of taxes to local authorities of \$63,000. Their total business volume exceeded \$23,000,000 and they provided some \$3,690,000 in wage payments to Saskatchewan workers.

**SUMMARY OF RESULTS OF OPERATIONS OF CROWN CORPORATIONS FOR YEARS  
ENDING IN 1956 (BEFORE INTEREST**

	Advances at Year End	Surplus or Deficit for Year
Saskatchewan Government Airways	\$ 600,000	\$ 60,485
Saskatchewan Timber Board	3,330,000	716,879
Saskatchewan Wood Enterprises	740,000	133,214*
Saskatchewan Fish Marketing	115,000	2,143
Saskatchewan Fur Marketing	188,000	20,241
Saskatchewan Government Trading	333,000	10,438
Saskatchewan Government Insurance Office	.....	50,314
Saskatchewan Guarantees & Fidelity Co. Ltd.	365,688	103,034*
Saskatchewan Clay Products	650,000	70,642
Saskatchewan Sodium Sulphate	1,085,000	147,920
Saskatchewan Government Printing	275,000	38,615
Saskatchewan Transportation Co.	<u>1,900,000</u>	<u>62,906</u>
Total	<u>\$ 9,581,688</u>	<u>\$ 946,335</u>
Saskatchewan Power Corporation	\$107,485,379**	\$ 5,498,034**
Saskatchewan Government Telephones	45,109,298**	4,344,173**

\* Deficit

\*\* Estimated or unaudited figure

**CAPITAL FINANCING 1956-57**

Since the legislature last prorogued, there has been a steady increase in interest rates. A year ago, the bank rate was 2¾ per cent. It has since been rising very steeply, reaching the unprecedented level of 4.06 per cent on February 21, 1957. As a result, interest rates generally for all types of bonds and debentures have climbed sharply. For example, the sixth Victory Loan Bonds maturing in 1960 have increased in yield from 3.20 per cent to 4.80 per cent as their value during the past

Year has fallen from \$99.15 to only \$94.45.

In my last budget address, I pointed out that we had borrowed \$25,000 on January 2, at 3 ¾ per cent, and that no additional loans would be required for the first six months of the present fiscal year. On November 1, we borrowed an additional \$8,000,000 for power and telephones. Because of the very tight credit situation, it was considered advisable to go to the money market in advance for the needs of the Power and Telephone Corporations again this year. Consequently, we borrowed 15 ¾ million dollars at 4 ¾ per cent on January 15. The following table indicates the bonds sold during the present fiscal year:

**CAPITAL BORROWING 1956-57**

Date	Maturity	Coupon	Payable	Amount
Nov.1, 1956	Nov. 1, 1976	4½%	Canada	\$ 8,000,000
Jan. 15, 1957	Jan.15, 1977	4¾%	U.S.A.	15,750,000
May 16, 1956	May 16, 1966	3¾%	Canada	5,000,000
Feb. 1, 1957	Feb. 1, 2977	4¾%	Canada	2,325,000

The latter two issues referred to in the above table were sold to various government accounts. The first issue for \$5,000,000 was used to refund treasury bills issued for highway construction in 1955-56. The latter issue was to provide advances to the Saskatchewan Power Corporation.

During the year, all treasury bills and debentures have been paid off as they became due. The House will be especially pleased to know that the final treasury bill issued to the Federal Government for the 1938 Seed Grain Advances, amounting to \$700,000 annually, was paid off in November. The following table indicates the debt redemptions for the present fiscal year:

**DEBT REDEMPTIONS 1956-57**

Date of Issue	Date of Maturity	Amount	Interest Rate	Payable
1931	June 1, 1956	\$ 334,500	4½%	Canada
1926	Dec. 1, 1956	2,500,000	4½%	Can. or U.S.A.
1949	Jan. 3, 1957	180,000	3¾%	Canada
1927	Jan. 15, 1957	1,468,500	4½%	Can. or U.S.A.
Treasury Bills Paid to Ottawa		<u>1,693,232</u>		
Total		<u>\$6,176,232</u>		

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Because of the necessity of borrowing at the higher interest rates presently existing, the average interest rate on all outstanding debentures has increased during the past year from 3.67% to 3.70%.

### Debt Reduction

Once again, it is a pleasure to announce a further reduction in the net direct or deadweight debt of the Province. As the accompanying statement shows, the decrease in the past calendar year amounted to \$4,178,000. I shall point out in a moment that the form of the present debt statement will be somewhat altered in future year to conform with an improved accounting system proposed for the whole of the Government's accounts.

#### DEBT STATEMENT, 1944, 1955, 1956 (thousands of dollars)

	April 30, 1944	Dec. 31, 1955	Dec. 31, 1956
Gross Funded Debt	\$ 125,245	\$ 179,566	\$ 214,730
Treasury Bills	<u>92,911</u>	<u>36,422</u>	31,554
Gross Debt	\$ 218,156	215,988	246,284
Less: Sinking funds	<u>23,919</u>	<u>18,387</u>	<u>23,803</u>
Direct and Indirect Debt after deducting Sinking Funds	\$ 194,237	\$ 197,601	\$ 222,481
Less; Loans and Advances to Revenue Producing Enterprises	<u>36,930</u>	<u>129,550</u>	<u>158,608</u>
Net Direct Debt	<u>\$ 157,307</u>	<u>\$ 68,051</u>	<u>63,873</u>
Population	843,000 (1)	870,877 (1)	880,665
Per Capita Net Debt	\$ <u>186,60</u>	\$ <u>78,14</u>	\$ <u>72.50</u>
Contingent Liabilities	\$ <u>20,016</u>	\$ <u>2,487</u>	\$ <u>4,493</u>

(1) Estimated

### Changes in Form of Province's Accounts

As you know, Mr. Speaker, there have been many arguments about the correct way of measuring the Province's financial position, or the correct way of computing net debt. These are arguments that have gone on inside the Assembly and out since 1905. The Provincial Treasurer and the Government say one thing; the Opposition says another. If there are two parties in opposition they say different things. Yet the official accounts of the Province are strangely silent on the subject – they disclose neither the financial position of the Province at the end of a year, nor the changes in the financial position during the year.

Now, Saskatchewan enjoys no privileged position in this regard. The same debate and the same silence on the part of the public accounts is to be found in all provinces.

It has seemed to me for some years now that Saskatchewan should make a break with this unfortunate tradition and produce accounting statements which people can properly understand. For some time I have had my officials at work trying to find a form of accounts which will produce financial statements that truly measure the Province's "net worth." We now think we have found the answer, and I should like to take a few minutes to outline the changes we propose. This is the last time I shall be reporting on the Province's net debt in the way I have just done, and it is the first time the estimates will be presented on the new basis. Before proceeding, however, I have a confession to make: the pleasure I had anticipated in presenting this entirely new financial approach has been dulled by the discovery, some months ago, that it is almost identical with the system now used by the Federal Government.

Briefly, what the Government proposes is that there should be a single consistent measure of the Province's net worth. This measure, in our view, and in the view of financial circles, is the Government's net debt. The Province's financial position will be reported in two main financial statements: first, the balance sheet that measures the Province's net debt at the end of each fiscal year; and second, the revenue and expenditure statement that reveals whether during the year the net debt has gone up or down. This compares with the present financial statements in which you will find two contradictory measures: the surplus or deficit on Revenue Account, and the net debt which is reported in the budget speech and in other special statements. As a matter of fact, as things now stand, it is entirely possible for a government to declare one Revenue Account surplus after another, at the same time that the debt statement reveals a mounting net debt.

The net debt measurement we propose to employ can be described simply as "what the Government owes" minus "what it owns". It is not too difficult to define "what the Government owes." The main items here are the

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funded debt and treasury bills outstanding. It is a bit more complicated to determine how much of what the Government owns should realistically be deducted from its gross debt to arrive at its net debt. We have decided to deduct only what you might call the “realizable” or “financial” assets – that is, cash and assets, which could reasonably be converted to cash. These include: first, our investments – bonds and treasury bills; second, our sinking funds, which are really just cash and investments held for a special purpose; third, loans and advances which are being repaid or are subject to repayment at the Government's request; and fourth, working capital advances – that is, cash loaned to our advance accounts for the purpose of acquiring stores and equipment to be used in future years. There is general agreement in financial circles that, for purposes of financial statements, all these may properly be regarded as realizable assets.

I know there may still be one or two members of this Assembly who would question the inclusion of loans and advances to Crown Corporations as a realizable asset. To them I would repeat briefly the two very good reasons for doing so. First, the Corporations are revenue-producing enterprises and either are repaying the advances, or paying dividends on our investment, or both. Second, if a Corporation were consistently to lose money, the Government would ensure that the advances shown on the books were properly valued by appropriating as an expenditure sufficient money to make up the loss. It is a matter of interest that one of the few financial questions all governments in Canada do seem to agree on is this – that loans to government enterprises are investments that should be deducted from gross debt in arriving at net debt.

You will notice, Mr. Speaker, that I do not include as a realizable asset our public lands, buildings and highways; it is only occasionally that a public building is sold, and I am informed that the probability of our selling our highways is regarded by most as remote.

If I may repeat, the measure of the Provinces financial position in the balance sheet will be: what we owe, minus what we own, that can reasonably be realized upon. For the benefit of the accounting profession I suppose I should add that because governments use the cash rather than the accrual basis of accounting, they should not expect to find on our balance sheet, in the fashion common in statements of private business enterprise, accounts receivable and payable. It should be noted, too, that because contingent liabilities cannot properly be described as something the Government “owes”, they will not be included as a liability in the accounts, but will be clearly shown in a note to the balance sheet.

If we are to have a single measure of the Province's financial position, it follows that our revenue and expenditure statements should show whether the net debt has gone up or down during the year. To do this we propose to distinguish between those transactions which increase or decrease the net debt and those which do not. Revenues, whether ordinary or

non-recurring, bring cash into the consolidated fund and hence obviously decrease the net debt. On the other hand, outright expenditures, whether ordinary or capital increase the net debt, since they reduce the cash in consolidated fund without buying an asset that can be realized upon.

No other government operations actually affect the net debt. When we make a sinking fund payment, for example, we merely transfer cash to a special fund to be used for debt redemption. Or if we purchase investments we are simply using our cash to better advantage than by leaving it in the bank. Similarly if we make loans or advances – whether to schools, to revenue-producing Crown Corporations, or in any other secured manner, we are investing our cash in a special way. In all cases we have bought realizable assets. If, on the other hand, we use our cash to pay off the debt, we are reducing our cash but at the same time we reduce our liabilities. Or, if we borrow money we have increased what we owe, but we have increased a realizable asset – cash. It is not until we spend the cash on government programs (such as highways) that the net debt goes up.

We have decided to call the revenues and expenditures which do affect the net debt “budgetary revenues and expenditures”, and those which do not affect the net debt “non-budgetary revenues and expenditures”. Again I must admit that while this ‘Government has no particular reputation for agreeing with the Government of Canada, we have chosen to use these terms as they are presently employed at Ottawa.

The effect of these changes will be finally to abolish revenue and capital accounts, thus completing the simplification of our accounts which I started in 1947 when the old relief account was eliminated. What is more important, the two potentially contradictory measures of the Province’s financial position are eliminated in favour of a single measure – the net debt. We shall, of course, retain the advantages of distinguishing between ordinary and non-recurring revenues, and between ordinary and capital expenditures. These distinctions are useful in making judgments concerning the prudence of budget management, and in a praising the economic effects of the Government’s financial policies.

A change such as this is difficult to make, and at first may be difficult to understand. In many ways it would be easier to make no changes at all. We must always remember, however, that control over finances has played a central role in British constitutional history. The struggle of the British House of Commons for supremacy over the monarchy centred on the right of the Commons to control the raising and spending of money by the King. And the effectiveness of cabinet government hinges on the responsibility of the cabinet to the legislature, for all measures of public policy. Nearly all of these have financial implications. Both the cabinet and the legislative assembly must be able, therefore, to appraise and to direct the financial operations of government. As Provincial Treasurer

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it is my responsibility to ensure that our financial statements assist, in every way possible, the cabinet and the assembly in the discharge of these responsibilities. It is in this spirit that these changes are being made; in the hope that presentation of the Province's financial affairs in the manner proposed will make more effective the operations of parliamentary Government in Saskatchewan.

### **1957-58 BUDGET**

I turn now, Mr. Speaker, to the presentation of the 1957-58 budget. Budgetary revenues are estimated at \$119,867,080, and budgetary expenditures at \$116,231,250, leaving a surplus of \$3,635,830 for the financing of non-budgetary expenditures. This budget compares with the current year's estimated revenues of \$102,763,590, expenditures of \$100,009,630 and budgetary surplus of \$2,753,960.

Non-budgetary expenditures will total nearly \$60,000,000 including net sinking fund payments of \$1,885,000 debt retirement of \$7,346,000 and loans and advances of \$50,500,000. The sinking fund and debt retirement payments will be financed from the budgetary surplus, non-budgetary revenues and cash on hand. Of the loans and advances, \$50,000,000 will be financed by borrowing.

Honourable Members will notice that the budget for 1957-58, like that of the current year, contemplates a further improvement in the Province's financial position, an improvement of better than \$3,600,000. I believe it is a prudent policy to reduce the public debt, particularly when the economy is buoyant. The people of Saskatchewan know from experience that it is good economic policy to improve the financial position when times are good, for it is always possible you may have to increase your debt if the economy declines. the monetary advantages of this policy are quite apparent: from 1948-49 to 1957-58 the annual interest burden upon the Province has been reduced by nearly \$2,400,000.

Even more important, we must have a budgetary surplus if we are to finance our non-budgetary expenditures. If the \$3,600,000 of budgetary revenues were not available for this purpose, we would be required to borrow that much more than \$50,000,000. In my view, and I think most honourable members will agree, it is certain that the Province cannot borrow more than this unprecedented sum without seriously impairing the enviable credit position we have build up over the past decade.

### **BUDGET POLICY OBJECTIVES**

In turning now to revenue and expenditure aspects of the budget, Mr. Speaker, we need first to consider the policy objectives of the present Government. I am the first to recognize, and to take pride in



the fact, that we have been ready and alert to adapt our programs and techniques to meet new and changing conditions. But the goals we seek to achieve have remained consistent and unaltered. The budget objectives today are precisely the same as those I outlined in my first budget address thirteen years ago. I said then (and I quote):

“It is my duty to administer the financial affairs of this province as to enable my colleagues and myself to plan a wide expansion in the fields of health, education, pensions and the like. Secondly, it is my task to tap the available investment resources for a planned and full development of old and new industries in this province. This Government is determined to do all it possibly can to improve the condition of our people and to broaden their opportunities for the future.”

These have been the consistent goals of every budget I have submitted. Each year they are translated into specific budget proposals in order that the current needs of the Province and its people might be met. Annually we examine, as I did earlier, Saskatchewan's economic changes, the growth and movements of population, and the income of our people. In this way we can identify the major problems confronting the province, and settle upon specific proposals for meeting those problems.

It seems to me that the problems of 1957-58 are essentially problems of change. Our economy is being developed and diversified, creating employment opportunities and higher incomes for some, and emphasizing the basic and persistent problems of others, notably the farmers. It is evident that our population is shifting gradually to urban areas as technology changes the rural scene, creating pressures in rural areas because of the movement of population away from the farm, and pressures on urban areas because of increased population and more industrialization.

It is scarcely surprising that some real problems have emerged from these changes. First there is the problem of education. We face both a growing school population and shifts in population, resulting not only in changes in school location, but also in the educational needs of the children themselves. We face technological and social changes which have created an urgent need for higher standards of education which must be met at all levels of the school system.

Second, there are the problems facing the farmers and agriculture generally. Technological change is continuing to force a reduction in the number of farms, which by itself creates tremendous problems of adjustment. At the same time farm income is under heavy pressure from the “cost-price squeeze” and continuing market difficulties. The result is a constant

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concern as to the ability of the farmer to maintain his family at today's living standards, and in individual cases, concern with the future of the farmer's family and the farm itself.

Third is the problem simply of keeping pace with change. The services provided by governments must not be permitted to lag behind the industrial development of the province. Governments must invest huge sums of capital in highways, local roads and streets, power facilities, gas transmission and distribution, sewer and water facilities, hospitals and schools. Capital must be made available for these social projects as well as for industrial enterprises if a serious lack of balance between economic and social development is to be prevented.

Fourth, there is the problem of ensuring that governments themselves adapt to change, that they are capable of providing effectively the services expected of them. The recent conferences between the Dominion and the provinces on one hand, and between the Province and our local governments jurisdictions on the other, basically were all pointed toward these issues. Governments must re-examine the division of responsibilities and finance between them and the way in which they are organized if each is to play the vital role expected of them.

All governments – not just the provincial government – must marshal their resources intelligently if these inter-related problems are to be resolved. For our part, we in the provincial government have attempted to evolve policies and programs which will meet these problems to the extent a province can; and policies which at the same time will continue to stimulate economic development and an improvement in health, education and welfare services. These policies, Mr. Speaker, are reflected in the 1957-58 budget.

### **EDUCATION**

One of the most urgent problems facing us is the rising cost of education. It is a problem confronting local and provincial governments, and one to which the federal government must surely give adequate help in solving. The principle increase in the Province's budget will be for education; we are asking the Legislative Assembly to increase the appropriation for education by more than \$5,000,000. The total budget for this purpose next year will be \$22,333,000.

It is proposed first, to increase school grants by 4.4 million. Such an increase in school grants should do much to assist local governments in meeting the higher costs of education, and the maintenance of a reasonable balance between the various sources of income available for this function. We do not pretend that this increase in school grants meets all the needs of our primary and secondary schools. Moreover, for several reasons I think we can reasonably expect that education costs will continue to rise. The Government

is therefore pledged to substantial further increases in school grants as revenues become available.

A second measure of assistance contained in this budget is an increase of \$126,000 in the provision for Teachers' Superannuation. This increase, it is hoped, will do much to assist in keeping our teachers within the province, and in making the teaching profession attractive as a career to our young people.

The education budget for 1957-58 also provides for further assistance at the university level. It is proposed to raise the grant to the University of Saskatchewan by \$200,000. This increase, along with the welcome addition in Federal university grants, will do much to assist the university to keep pace with a growing student body and the broader curriculum required of a modern university.

Reference is frequently made to the proportion of the budget spent on such major functions as education, and attempts are made to draw comparisons between different provinces. I think it necessary to point out that such percentage calculations can be very misleading. It is essential to appreciate just what total the percentage is calculated upon. For instance, our education expenditure amounts to 19.2 per cent of the aggregate budgetary expenditure. But if spending on capital projects is segregated out into a separate account, as is customary in some other provinces, the percentage allocated to education jumps up to 23.4. If a similar allowance is made for the fact that our budget includes a sum of \$13,250,000 for the Hospital Plan, an amount duplicated in scarcely any other provincial budget, the proportion provided for education rises still higher – up to 27.2 per cent.

### **HIGHWAYS AND ROADS**

I mentioned earlier the difficulty of keeping pace with social and economic changes. A good example of this difficulty is the need to bring our roads and highways up to a higher standard. Ten years ago, the total provincial appropriation for highways and local roads was less than \$7,000,000; today we are asking the Legislature to vote \$26,400,000. Of the increase provided this year, \$1,500,000 will go toward the market road grid, raising expenditure on municipal roads to \$3,900,000. A further \$2,775,000 is proposed for provincial highways. As traffic increases and as the need for higher road standards emerges we shall be faced with still further increases in road expenditures. In the face of these pressures, it seems almost certain that sooner or later the Dominion will have to face up to the widespread demand for an adequate, long-range plan of federal highway aid.

## **PUBLIC UTILITIES**

Hand in hand with the growing need for improved roads is the increasing need for capital investment in or public utilities. As honourable members know, our power generating capacity is being doubled every four or five years. In 1957-58 this will mean an investment by the Power Corporation of about \$20,000,000 for generating capacity alone. Investment in transmission and distribution facilities will read about 8½ million dollars, and nearly 47,000,000 will be invested in the farm electrification programs.

At the same time the Corporation will invest approximately \$6,000,000 to bring to the people of Regina and other communities the advantages and economies of natural gas. To finance this capital expansion the Government proposes to advance to the Power Corporation the staggering total of \$39,500,000.

Saskatchewan Government Telephones is also finding it necessary to maintain a high level of capital investment in order to keep pace with the demands for telephone service. It is proposed to maintain the record levels of telephone connections of the past few years, and to continue to make available higher standards of service through the installation of dialling equipment, new exchange facilities, and the microwave system. Advances of \$9,000,000 are proposed for Saskatchewan Government Telephones next year.

## **AGRICULTURE**

The problems of the farmers of Saskatchewan continue to occupy a special place in the Government's attention. Provincial agriculture programs have been greatly extended in the past decade. Expenditures on agriculture now average \$5,000,000 a year compared with less than a million ten years ago. There is proposed in the next year's budget an increase in ordinary expenditures of more than \$300,000 principally for improvements in the Agricultural Representative Services, in the engineering services provided by the Conservation and Development Branch, and in assistance to agricultural societies. Capital expenditures on drainage and irrigation will be maintained at a level somewhat higher than the normal average spent over the past five years on measures other than emergency flood control. It is planned in 1957-58 to spend approximately \$800,000 on drainage and irrigation, and much larger sums than this will be required if and when the Federal Government accepts the importance of the South Saskatchewan River Dam.

Everyone in public life in this Province has a responsibility to do everything that can be done, whether provincially or federally, to resolve the dilemmas facing our rural people. The Province's concern for improving farm income and easing the adjustment of rural people to rapidly

changing conditions is reflected in its efforts to provide balanced educational opportunities, in its continual expansion of agricultural services – in fact, in every phase of provincial activity. The province's best efforts, however, are not enough. We must accept our responsibility for pressing on the Federal Government policies which will be of benefit to the people we serve.

### **LOCAL GOVERNMENT SERVICES**

I mentioned earlier, Mr. Speaker, the necessity for all levels of government to adapt themselves to social and economic changes if they are to provide with maximum efficiency and effectiveness the services expected of them. This implies, of course, a periodic reappraisal of the division of responsibilities and finance between the different levels of government and of the organization of local government as such. The December Conference was held for this reason, and I have already commented briefly on the financial proposals made by the Government on that occasion. This budget therefore provides for increases in assistance of more than \$7,000,000 exclusive of increased expenditure under the Hospital Plan. Higher school grants total 4.4 million dollars; additional expenditures on the market road grid total 1.5 million dollars. The Province's 785 per cent share of municipal social aid will cost an additional \$525,000; at the same time, despite increased caseloads, the cost to the municipalities will decline by an estimated \$66,000. Grants to municipal homes for the aged will be up by over \$800,000 in 1957-58. Grants to health regions, if present plans for new regions are realized, will rise by \$239,000. These increases in provincial assistance to local governments do not include two other major changes in the Province's relations with municipalities. It is proposed Government Telephones as if that Corporation were a privately owned utility. It is proposed, further, to bear a larger percentage of the cost of provincial highways passing through urban centres.

Of equal importance is the undertaking I gave at the Provincial-Local Government Conference to set aside \$15,000,000 in the School Lands fund as a revolving fund for the purchase of debentures from those needy local governments which are encountering genuine difficulty in marketing their bonds. In undertaking to purchase up to 50 per cent of the debentures of such local governments, we are giving formal recognition to the fact that local governments are encountering, as we are, real difficulties in keeping pace with economic and population changes. And we are prepared to share with them whatever investment resources we possess.

### **HEALTH AND WELFARE SERVICES**

In presenting this budget, I have paid particular attention to the measures proposed to meet what I regard as the principal problems confronting us in this province. But there is also provision for maintaining

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and improving health and welfare services, and for continuing the development of our natural resources. The principal increase in the budget of the Department of Public Health is for the Hospital Services Plan. Increases in the population, and consequently in the total number of hospital beds, improvements in the quality of hospital care, and higher salaries and wages for hospital staffs all have contributed to a \$2,200,000 increase in the Province's contribution to the Plan. The budget for the care of the mentally ill has been increased by \$800,000, so that the total vote for this purpose now exceed \$8,000,000 per year, Saskatchewan provides more per capital than any other province in Canada, and there is no doubt about the tremendous strides that have been made. Patients are being discharged faster than they are being admitted, and the patient population in our hospitals is being steadily reduced.

The principal improvements in welfare services next year will be for our elderly citizens. Grants of 1¼ million dollars will be made to nursing homes being constructed by municipal and charitable organizations. This represents an increase of nearly a million dollars over the current year's grants. In addition, the new provincial nursing home in Regina will go into full operation early in the year, with an annual budget of nearly \$450,000. Part of this institution (fifty beds) will be devoted to a physical restoration program. From this program we hope to find new techniques for restoring to the community chronically ill patients who, until now, have been regarded as beyond treatment.

### **NATURAL RESOURCES**

I should like to make special mention, Mr. Speaker, of the measures contained in this budget for the continued development of our natural resources. The Department of Mineral Resources, for example, is proposing to spend approximately \$112,000 on a geophysical survey in the Lac la Ronge area, using the combined techniques of the aerial magnetometer and electro-magnetic surveys. Further to open the way to the development of our northern resources, the Department of Natural Resources will spend over \$260,000 on an access road into the mineralised area north of Lac la Ronge. An additional \$143,000 will be spent on extending the Buffalo Narrows Road in the north-western part of the Province. The wisdom of making expenditures such as these is proven by the revenues forecast for next year. Petroleum and natural gas revenues, for example, will reach nearly \$16,000,000 in 1957-58. Uranium royalties are expected to reach \$1,400,000 and total resources revenues will exceed 22 ¾ million dollars.

### **FINANCING IMPROVED SERVICES**

To finance these widely expanded programs of education, highways and local roads, municipal assistance, and health and welfare services, will require substantial additions to our revenues. Federal-Provincial tax arrangements will provide some of the increases required. It is now estimated

by the Federal Government that its payment to Saskatchewan on this item will reach some \$34,600,000 next year, compared with the \$31,100,000 we estimate we would have received had the 1952-57 agreements been extended.

Equally important in meeting budgetary expenditures for 1957-58 are the increases in resources revenues. As I have said, these sources will yield more than 22 3/4 millions of dollars next year compared with the \$17,500,000 estimated for the current year. Oil and natural gas revenues are expected to increase by \$4,000,000 as a result of a much larger volume of production and a revision of the royalty schedule on production from Crown leases. The Minister of Mineral Resources will give the House a full explanation of the change in due course. A further gain of \$1,000,000 in revenue is also anticipated from the increased output of uranium ore in Northern Saskatchewan.

Turning to tax revenues, the first change contemplated is one which arises out of the fiscal negotiations with the Federal Government. Up to the present year, the Dominion has been levying a 2 per cent tax on insurance premiums. It has now agreed to withdraw from the field in the expectation that most, if not all, of the provinces will elect to take over the tax. Legislation will therefore be introduced providing for a 2 per cent provincial levy on the net premium income of insurance companies doing business in Saskatchewan. While it is difficult to estimate revenue from a new source, I anticipate this tax will yield approximately \$650,000 in 1957-58.

Our second tax change stems from the problem of financing highway maintenance and construction, and assistance to local roads. Total expenditures for highways and local roads are estimated in 1957-58 at nearly \$28,500,000, made up as follows:

Highways	\$22,500,000
Municipal Road Assistance	3,900,000
Interest on Highway Debt (\$3,078,000@3.5%)	1,193,000
Highway Traffic Board	338,000
Collection of Gas Tax and Vehicle Licence Fees	<u>557,000</u>
	<u>\$28,488,000</u>

Revenues from the gasoline tax of 11 cents per gallon are estimated at just under \$15,000,000 and motor vehicle licences at around \$6,000,000. Total revenue from highway users in other words would equal only \$21,000,000, compared with expenditures on highways of over \$24½ millions and on local roads of \$3,900,000. The Government believes that the highway users should pay a larger share of the costs than this, and proposes, therefore, to increase the gasoline tax, effective April 1, from 11 cents to 12 cents. Further, in an effort to secure an improved contribution to highway costs from the

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very large commercial vehicles, an upward revision in licence fees paid by them is proposed. This adjustment will apply on a graduated basis only to large trucks having a gross weight of 22,000 pounds and more. The resulting increase in total vehicle revenues, however, is not expected to be large.

Finally with regard to the Education and Hospitalization Tax, the House may recall the successive steps taken by this Government ever since 1946 to eliminate the most regressive features of this tax. In that year, a fundamentally important change was made by eliminating the tax from all foodstuffs, including groceries of all kinds, meats, fruits, vegetable, soft drinks, candy and confectionery, and from all meals and lunches. A year later we broadened the list of exemptions still further to include all drugs, prescriptions and patent medicines, soaps and cleaners, second hand goods, and such farm materials as weed control chemicals, weed sprayers and animal feeds. Subsequently school text books and garden seeds were exempted, and further relief given to farm operations by removing the tax from fertilizers, grasshopper baits and forage crop seed, and adding to the list of exempted farm implements such items as hay bailers, swath turners, fertilizer feeders, grasshopper bait spreaders, irrigation units and hydraulic lifts. It is now proposed to carry this consistent policy one step further. It is a pleasure to announce that I shall shortly introduce a bill eliminating the 3 per cent tax on farm fuels.

No doubt this will be a popular measure. But we need not pretend that removal of this tax will solve the basic problems of the agricultural economy. With the total cost of farm operations running at an estimated average of about \$320 million annually for the past five years, it is obvious that the elimination of a tax yielding less than one million dollars cannot provide any real solution. The fact is that only the most obtuse fail to recognize that the really basic issues confounding our farmers are almost entirely beyond the Province's jurisdiction. What the farmer must pay to grow a bushel of wheat, the price he receives, and whether he can sell it at all, are all matters clearly falling within the scope of federal responsibility. To make any other claim is plainly to do a grave disservice to the entire Saskatchewan community.

### **ROLE OF THE PROVINCE**

The budget presented today, Mr. Speaker, represents a further step toward our twin objective of human welfare and economic development. In specific detail, it is aimed at meeting the problems which arise from the current period of rapid economic and social change.

But the problems facing the people of Saskatchewan are not capable of solution by provincial action alone. Most of the difficulties confronting the farmers are beyond our constitutional jurisdiction. The difficult local governments and the province itself face in obtaining



capital to maintain government services at a desirable level, stem from the shortage of credit – a matter beyond our control. The special problems of education in today's world are matters of national concern.

Members of this Assembly have been urged to ignore national issues in their deliberations, Mr. Speaker. This amounts to a suggestion that we who serve the people of Saskatchewan should not be concerned with the whole of any problem facing them, but only that part of the problem which this Legislature can pass an Act about. I deplore this kind of provincialism. Surely if we are to serve our people well we must be concerned with their whole welfare. Surely if government is to be intelligent the measures here introduced must be considered in terms of the total needs of the electorate.

I must, therefore, urge Honourable Members to ignore the suggestion that they take a narrow view of Saskatchewan's problems. For the challenge facing governments today in planning for the intelligent development of their nation or province or municipality is big one. It requires vision and imagination and perspective. Our actions, and the actions of all governments, should be judged in these terms.

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## WELCOME TO GHANA

On motion of the Hon. Mr. Douglas (Weyburn), seconded by Mr. Thorson:

“Resolved, That the Legislative Assembly of the Provincial of Saskatchewan, in Session assembled, welcome the establishment on March 6, 1957 of Ghana as a sovereign and independent State within the Commonwealth, and desires to assure the Government representing the people of the Gold Coast and Togoland Territory, whose land will not comprise this new nation, that the people of Saskatchewan share their pride in achieving political independence and the right to determine their own destiny as a democratic, self-governing State.”

**Premier Douglas:** — This is a very momentous day in the history of the British Commonwealth of Nations, because on this day the State of Ghana is formally being set up. For some 250 or 300 years, the white man has extended his activities into all parts of the world. Sometimes he went for trade; sometimes he went in a missionary endeavour to take his religion to people in other parts of the world; sometimes he went in order to secure areas in which there were vast natural resources, which he felt were essential to the development of the industry in his own country. Whatever the reasons may have been, the great powers of Europe acquired in the 18th and 19th century great areas of land in Asia and in Africa and in the Americas.

This was the great period of colonialism; the period which Kipling described as “The white man’s burden”. However, closer students of the scene sometimes wondered whether it was the white man that was bearing the burden, or the black man and the brown man that was bearing the burden. As the years have passed, there has been a growing demand on the part of these colonial people for self-government and for independence. Some of the great powers have been very reluctant to grant that independence. Oftentimes, just as parental control is something which fathers are reluctant to relax, so sometimes great powers were very reluctant to relax their control over the Colonial people whom they had brought under their jurisdiction. In cases where great powers failed to meet the demands for independence, revolutions broke out. The 12 colonies in the United States could not get local self-government, and we had the American Revolution. In our own great Dominion, under William Lyon Mackenzie and Papineau we had the Rebellion of 1837. While the Rebellion itself was not a success, certainly it did much to convince the Government of Great Britain at that time that the Canadian people had reached the stage where they would eventually insist on governing themselves, and so we have the great

British North America Act of 1867.

It has always been tragic when great powers have failed to recognize that subject peoples have come of age, and that they can no longer be held captive in the bonds of Colonialism. In our own time, Mr. Speaker, some of the greatest acts of statesmanship in my humble opinion were when the government of Great Britain, without bloodshed, without revolution, granted to the people of India, Pakistan, Burma and Ceylon, complete self-government and independence. Those were great acts of statesmanship. Today we are commemorating another such act. On the coast of Africa there is an area which has become known as the Gold Coast. It is made up of the Gold Coast Territory, the Ashanti area, the Northwest Territory, and a strip of Togoland. These four separate districts have been welded into a single nation, and the Legislative Assembly of that area have asked that the name of this new national shall be Ghana. On this day, under proclamation of Her Majesty the Queen, the state of Ghana formally is being launched into history.

The Prime Minister of this new nation, which now takes its place in the British Commonwealth of Nations, is Mr. Kwame Nkrumah. It is rather significant that when he and his party were elected to head the government of this new nation, he and most of his followers were languishing in gaol. I think when the history of the first half of the 20th century is written, it will be interesting to see how many of the leaders of our time spent considerable of their years in gaol. Mr. Nehru, the Prime Minister of India has spent nine years in British gaols, and yet it is part of the genius of the British people that, in spite of the unfortunate relations that once were obtained between the Indian Congress and the Government of Great Britain, that Britain probably has no stauncher friend anywhere in Asia, than it has in Prime Minister Nehru.

The same, I am sure will be true of the Prime Minister of Ghana. I thought this Legislature would want formally to go on record in extending its congratulations to the people of this new nation, to express our pleasure that they have now achieved national status and independence, and to hope for them every success in their future, because they will have great problems. These people are now moving from a period of paternalism, when decisions were made for them and not by them, into a democracy in which you not only have the privilege of making decision, but you have the responsibility of putting up with the results of the decisions you have made. And they will undoubtedly make mistakes, as we all do, and their path will of course, not be an easy one.

We feel that one of their greatest problems will be a problem of administrators, to train their own people in Government administration. The Government of Saskatchewan thought that it might be a gesture to these people to suggest that we would be prepared to take at least one, or more of any of their semi-trained personnel and give them an opportunity to come

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here and work in any department of government, to give them whatever training might be of value to them, so that they might return and carry on the work in the civil service of their country. We shall be corresponding with the Government of Ghana to make that offer of assisting in training some of their people. I don't think it is enough for the older members of the Commonwealth merely to heap adulation and congratulations upon this new nation. We must also be prepared to do some practical thing that might be of assistance to them in this experimental period, when they will have many problems in setting up a new government.

I also felt that the Government and the Legislature would want the people of Ghana, on this historic day, to know how we felt about the matter, and this is the cablegram I would like to have sent to them:

“Prime Minister Kwame Nkrumah,  
Accra, Ghana,  
West Africa.

The Government of Saskatchewan extends congratulations to Ghana on becoming a self-governing nation with the Commonwealth. We have admired your long struggle for independence, and share with you the common objective of establishing social democracy for our respective peoples.

Saskatchewan Legislature now in Session forwarding resolution of felicitation.”

I would hope that we could send that cablegram, and that a resolution could be passed by this Legislature, copy of which would be sent to the Government along with a copy of the verbatim report of the discussion on the Debate, in order that the new Government and its people may know that they have the heartfelt support and enthusiasm of the people of Saskatchewan with them, as they embark upon this important era in their history.

I have asked the member for Souris-Estevan (Mr. Thorson) to second the Motion which I am going to make, because he had the privilege sometime ago of visiting this area, at a Students' African Conference, and has some knowledge and some experience of these people, and some of the problems which confront them. I am sure, Mr. Speaker, that the Motion which I now propose to make will have the support of members in all parts of the House, and I am sure we all recognize that peace in the years ahead depends primarily upon people being able to exercise their legitimate aspirations for freedom, and that wherever we oppress people, or suppress people, wherever we deny them the rights of self-government and democratic expression, we are asking for trouble, we are inviting bloodshed, and we are only postponing the day of reckoning. Wherever in the world, the nations are given the right of self-government and the full privileges of independence, there

we are spreading the value of democracy and there we are strengthening the hands of other people, and helping them to become self-governing members of a great Commonwealth of free people, freely associated together in common loyalty to the Crown, and adhering to the common principles of justice and democracy.

**Mr. McDonald (Leader of the Official Opposition):** — Mr. Speaker, I should like to associate myself with the remarks of our Premier this afternoon on this very important occasion. I have noted in conversations with students from our Own University, from the International Students' Body, when they attend one session during the sitting of our Legislature, that many of the students from the International Body are from such countries as the new nation of Ghana, and from conversations with them, I understand there are many reasons for them coming to places such as Saskatchewan, not only to better their own education, but to know and understand democracy as we live here in Canada, and in parts of the British Commonwealth of nations.

I, too, am always more than pleased to see people of different parts of the world who have lived under the rule of some parent nation for many, many years; in fact generations; given the opportunity to govern themselves just as soon as they are advanced enough to accept that responsibility, and it seems to me that in this day and age there are more and more people, year by year, coming into that category, and I feel sure that the people of Ghana will fulfil their responsibility to their own country, and to the British Commonwealth of Nations. It seems to me that, as the Premier has said, the only way we can have lasting peace in the world is for people of all nations to be given the opportunity of governing themselves just as soon as they have developed to that stage in life, where they are capable of administering the affairs of their country.

I can agree with the Premier as well, that when one accepts this responsibility and this freedom, that all will not be easy. It will be a tremendous task for the country such as Ghana, to build up personnel enough to manage the affairs of their government; to build up a staff of civil servants who would be able to carry out the wishes of the Government in power in that country, and I sincerely hope that in the very near future other nations of the world, who for many years have been under the influence of some larger, more powerful countries, will take advantage of the position they have been in for many years to learn the problems that confront a people that is governing themselves, and they will take the example set by India, and now by Ghana, and as soon as they have the opportunity of governing themselves, to accept that opportunity, but in accepting it, I sincerely hope they will be a perfect example to other peoples who are looking forward to the day when they will be given the same opportunity.

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I think it is an excellent suggestion on the part of the province of Saskatchewan, through our Government, to congratulate the people of Ghana, to congratulate the new Prime Minister of this new country, and to wish them well, and I think also it is wise to extend an invitation to this new country, to send people to our province if they so wish, so that they may see what we have been practicing here for so many years, and if we can help, if our help is desired, to develop, or at least to build up a group of people within the country of Ghana, so that they can and will administer their own affairs to the best of their ability, and to the benefit of all of Africa, to the benefit of the British Commonwealth of Nations, and as a matter of fact, to the whole world.

**Mr. A. Weber (Social Credit Leader):** — Mr. Speaker, after listening to the Premier and Mr. McDonald, the Leader of the Official Opposition express their sentiments in welcoming Ghana into our Commonwealth, as Leader of our group I would also like to add our support to the Premier's motion.

Mr. McDonald mentioned that he was wondering whether some of these students had come to Saskatchewan at any time to visit with us here. I might say that at the time the International Students' Council visited this Assembly, I did meet a young lady from that part of Africa, and we had a very pleasant conversation. However, I was pleased to hear that this British colony, the Gold Coast in Africa finally became an independent Commonwealth country of Ghana. Ghana is entering into a new era in its history, and we can realize that it is faced with many problems in establishing and implementing a new constitution within its country, and I am certain that all the nations within the Commonwealth wish our new member nation success and prosperity as a democratic and self-governing state.

I am sure, too, that the other Commonwealth countries are anxious to welcome Ghana into their ranks, and to extend to the people of Ghana promises of friendly and cordial relations. Also I would like to congratulate Ghana on becoming the 81st nation in the United Nations group, and I am certain that they will assume their full responsibility and opportunity which are present within this organization, and that they, as members, will contribute to the peace and welfare of humanity.

I take great pleasure in supporting the Motion.

**Hon. J.H. Sturdy (Minister without Portfolio):** — Mr. Speaker, I had the pleasure on the occasion on which you were host to the University students and the International Students – at the very fine dinner you put on, I had the pleasure of having for my dinner partner a representative of Ghana. She was a very charming, attractive and very intelligent young woman, and I must confess, Mr. Speaker, that I was much more interested in what she told me than I was in your dinner.

Among the things she told me was this: she expressed admiration for the University which she had the pleasure of attending, particularly the University Hospital where she was training as a nurse, where she was taking special training in administration and organization. It occurred to me at the time that the policy of the U.N., under its UNESCO, in having students from all countries of the world practically, mix with the students of the Universities throughout the world, was an excellent policy, indeed; because these young people met during the formative and educative period of their lives, and in the relationship of these students, all prejudices and all the things that have bedevilled international relations, seem to have disappeared.

Another admiration that she expressed was for Dr. Nkrumah. There do not appear to be any “r” pronunciations in the African language, and as nearly as I can remember, the Prime Minister of Ghana is Dr. Nkrumah. She told of the struggles of him and his followers, and I am sure that she herself, took part in some of those struggles to gain the establishment of the sovereign nation of Ghana. In 1951 when Dr. Nkrumah was still in prison, and leader of the Convention Peoples’ Party there was an election in the Gold Coast which now is Ghana, and his party was returned by a sweeping majority. So persistent was that majority that the authorities immediately released Dr. Nkrumah and he became the first Prime Minister of sovereign state of Ghana, which is now a member of the British Commonwealth.

As I sat and listened to her, it occurred to me that this young citizen, and the establishment of this and other sovereign states of the so-called backward people of the world, has given the lie to that common cliché held by so many western nations, that native people in Africa or any other continent are unable to govern themselves.

In passing, it does occur to me that we in Saskatchewan should give thought to the fact that we have 18,000 native people in our own province, our Indian population, to whom we have not granted even citizenship rights, either in this province or in the Dominion of Canada. And it behoves us, both as a nation and a province, to give to these people full citizenship rights and an opportunity for advancement that they have never had before.

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**Hon. J.T. Douglas (Minister of Highways):** — Mr. Speaker, I also would like to lend my support to the Motion that has just been moved in this Chamber. I realize there is a great deal that this province, and this country can do in helping nations of this kind to achieve national status. Last month I had the opportunity of attending a conference in Chicago, called by the International Road Federation. At that conference there were representatives from some 60 nations, most of them nations such as the one to whom we are sending felicitations today. I was surprised to note how eager these people were to come to the United States, and to acquire the techniques in road building for their own countries.

I was also pleased to note that the International Road Federation had been granting scholarships to these people, or rather not to these people but to the various nations, and I was also gratified to note that the United States Federal and State Governments were paying a great deal of attention to these people. Many of the students who were attending that Conference were there either as trainees under the International Road Federation Plan, or as trainees under a plan put forth by the American Road Federation. I believe that this province can do a great deal by offering to this country the opportunity of sending their people over here to study our methods in administration, and in the various other techniques in which, naturally, we are superior to them. This is knowledge which we have obtained throughout the years.

But I am quite sure, given the opportunity, those people can demonstrate, as they have already demonstrated, their ability to perform their work just as efficiently as people of the white nations. So I am most pleased to associate myself with this Motion this afternoon.

**Mr. Kim Thorson (Souris-Estevan):** — Mr. Speaker, it is a great pleasure for me to be able to support and second this Motion. I am sure all of us are pleased to note on any occasion when a community of people achieve independence. However, this occasion has a particular interest for me; it is a particular source of satisfaction and jubilation for me to know that the people who live in the former area of The Gold Coast and a part of Togoland which was administered by British authorities under United Nations Trusteeship, have now become the independent sovereign, self-governing nation of Ghana.

I have travelled in that part of the African continent, and I have some limited, at least, knowledge of the people, the places, and the conditions which prevail in that part of Africa. I am particularly pleased, because I think this is a sign of the times in the contemporary, revolutionary world situation. Stringfellow Barr once characterized the world as being made up of two great areas; those of us like people in Canada, who live in the rich suburbs, and the rest of the people who are forced to live in the poverty-stricken slums. And I may say that when I



travelled in that part of Africa, I was able to see people living in tropic conditions, and the picture that some of us on this continent have of people who live in the tropics, sitting quietly and happily under the trees in the sunshine, having their food almost literally brought into their hands, is a very deceiving and a very dangerous kind of fantasy. Life in the tropics is not particularly easy. The search for food is never ending. The climate, the heat, the lack of refrigeration makes food-storage impossible. I may say, Mr. Speaker, that when you see people who must live in this kind of condition, and who suffer from diseases like sleeping sickness, malaria, yellow fever and leprosy; when you see the obvious effects of malnutrition, and the obvious effects of lack of pure water supplies and sanitation, you begin to understand what poverty really means.

But that is not the revolutionary situation in the world today, because those are conditions which have prevailed among men since the beginning of history. But what is revolutionary about today's situation? It is the fact that developments in communication have made it possible for people who live in the slums to find out how the people live in the suburbs. People have come to realize that life does not have to be "nasty, brutish and short". They have come to realize that modern life, and the means to modern life, have something more to offer than a condition in which people suffer from diseases, malnutrition, misery and whose only hope is that it won't last too long.

I think we make a very grave mistake in our part of the world to suppose that our interpretation of contemporary global events can be imposed upon peoples in all parts of the world. When we think of international affairs, we are always concerned about the struggle between the free world and the totalitarian states; between the so-called democracies led by the United States, and the so-called dictatorships led by the Soviet Union. Well, whether it is correct or incorrect, most of the people in the world don't think of those things when they think of the international situation. Most of the people of the world see the great issue of our times as more of a struggle between Imperial rule or self-determination, between colonialism or independence. Imperialism and colonialism have been watch-words in the history of West Africa since it was first discovered by the Portuguese navigators in the 15th century.

I had an experience when I was in that part of the world which made a very profound impression upon me. Along the coastline in the area which is now the nation, Ghana, there are some very old fortresses built by the sea. I visited those fortresses in company with some students from the University College of the Gold Coast who were indigent African people. When we went there we had an opportunity to see the slave quarters underground, and the market places where slaves were bought and sold, and the doorway beside the sea, through which thousands of people had passed on their way to the ships which took them to the slave plantations of the West Indies, and of the Americas. When I looked out, as I stood on the

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battlements beside the rusted and long-since useless iron cannons, I saw ships there today made of iron, powered by internal combustion engines. They were there to trade bauxite, manganese, and cocoa. And I could envisage, over the centuries, other times, when ships were anchored in that same spot, made of wood and powered by the wind, and came to that part of the world to trade in gold and ivory and human slaves.

I say it made a profound impression on me, not because I wasn't aware that this sort of thing had happened, but because I stood there, in the afternoon sunlight, beside people whose ancestors were those human slaves, and I remembered that my ancestors made them slaves. I think all of us are concerned that somehow and in some way we can do something to right the wrongs that have been committed in the history of the western nations of the world.

How did all of this come about? Africa, of course, was caught up in the 19th Century desire of most powers for imperial expansion. Those were the days when everybody wanted "a place in the sun", and more often than not the place in the sun meant a place in Africa. Chancellor Bismark summoned the Western European powers to the Congress of Berlin in 1885, and the representatives at that Conference had a very easy task, for them. They sat around the table, and on the table was a map of Africa, and they busied themselves drawing lines on it, and labelling different areas, and allocating to themselves the right to tell the people of that area of the world how they ought to live. Over the centuries before that, and after that, people came to west Africa from Europe and laboured under the impression which, by the 19th century had become a conviction, best expressed in that slogan, 'Christianity and Commerce', and the impression was that Christianity and Commerce was good, not only for ourselves, the Europeans and people of European descent, but also good for the people of Africa.

But perhaps not so surprisingly, the people of Africa could not always see that the kind of Christianity and the kind of commerce that was imposed upon them, was good for them. And in fact, the European powers, in order to maintain the good that it was doing them, discovered that Christianity and Commerce was not enough, and so the flags of Imperial power were planted, and maintained when necessary, by military force.

Well, of course, in the revolutionary situation of the world, which I spoke about, the people of the Gold Coast and of Togoland, like many people in other parts of Asia and Africa found that Christianity and Commerce, perhaps were good things, when they were applied to themselves the same way that they were applied to Europeans. And out of this realization grew a yearning for independence and the right to determine their own destinies, and that yearning has been going on for many decades in Africa, and it has reached its best development in the new nation Ghana. Ghana is probably the happiest place on the continent of Africa today, and all eyes in Africa and in other colonial areas will certainly be on the people of

that part of the world, and will be looking at them to see how well they assume their responsibilities as well as their freedoms.

Now, Mr. Speaker, before I take my place, I want to very briefly point out some of the striking parallels between the area of the world known as Ghana and the area of the world known as Saskatchewan. In Saskatchewan, we often say that wheat is kind. In Ghana they say that cocoa is the lifeblood of their country. Ghana produces at least one-third of the world's supply cocoa, and you can imagine how tremendously important that agricultural industry is in the economic life of that nation. And, of course, the people of Ghana like the people of Saskatchewan, are very much dependent on international markets, and their dependence on international markets there, like here, has led them to establish various kinds of marketing boards. And I may say that some of the arguments I heard between various people in West Africa sounded very much like the arguments I hear in Western Canada, when you discuss the problems of international trade.

I want to point out, too, that here in Saskatchewan we have a much talked about South Saskatchewan River Dam project. In Ghana, there is much talk about the Volta River Dam project. Our project, of course, is mainly for irrigation, and incidentally for power. Their project is primarily designed to supply power, and if it is ever established, it is proposed that the Volta River Dam will have a generating capacity of something like 600,000 kilowatts, and the power will be used to transform the vast deposits of bauxite in that part of the world into aluminium.

I want to point out, also, that Ghana has one University, and Saskatchewan has one University. I think everyone may take it as given that I spent so many pleasant days at the University of Saskatchewan. I also spent some very pleasant hours at the University College at the Gold Coast.

Ghana is facing problems in the field of non-agricultural development, similar to the ones we face. They in one sense have advanced farther than we have in that field. They have already established their technical college, located in the city of Kumasi. We are still talking about our proposed technical institute.

And, finally, I want to point out that Ghana faces tremendous problems in the fields of local governments. And, one of the most serious problems they face in that connection is the difficulty of getting people to view objectively the traditional way of doing things in the fields of local government.

Finally, I want to draw the attention of this Assembly to the fact that this summer, during July and August, some 40 Canadian University students from 30 Canadian Universities, will be holding an international

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seminar at the University College in Ghana, near the Capital City of Accra. It will be sponsored by the World University Service, which is the same organization that made it possible for me to visit that part of the world. The topic of the seminar there, which will be preceded by study tours in other African areas, will be 'Africa and Tomorrow', and will be centred around a theme of studying the problems of developing countries. There will be one of the students of the University of Saskatchewan at that seminar, one who was here at this Assembly a few weeks ago. This kind of international communication will contribute a great deal to furthering the understanding between peoples of different traditions and different backgrounds, people in Africa and people in Canada. And I know in that land of tropical rain forest, of more arid desert regions, and that land of very different kinds of people from taxi drivers to cocoa farmers to the local magistrate with an Oxford degree, they will be looking with increasing interest at Canada, as a result of the visit of these 40 Canadian students, during this year. And I am sure the visit, not only when it takes place, but when these 40 people come back to Canada, to spend their lives here, will contribute a great deal towards the co-operation, the mutual respect, and the mutual understanding which will characterize the future relations between Canada and the new nation, Ghana.

The question being put, it was agreed to unanimously.

**Premier Douglas:** — I wonder if the House would concur in my suggestion that this Resolution, now unanimously passed by the Legislature, might be forwarded along with a transcript of the debate on the Motion to the Prime Minister of Ghana by you, Mr. Speaker. Would that be everyone's wishes?

— Agreed —

The Assembly resumed the adjourned debate on the proposed motion of the Hon. Mr. R. Brown:

“That the First Report of the Select Standing Committee on Radio Broadcasting of Selected Proceedings be now concurred in.”

**Mr. Lopton (Saltcoats):** — Mr. Speaker, I don't intend to say much on this Motion. I think it has been fairly well debated. But I had in mind in listening to the arguments of both sides of the House, it appeared to be quite unanimously agreed that we continue on with the broadcasts of the Session. But it appears to me as I watch the procedure of the House that the hour and a quarter is more or less restricting our progress. We are wondering if the Government could not arrange to extend that at least another half an hour, and shorten up the number of days that you

have, or even if you extended it a little longer, or get a little more time, I feel that this hour and a quarter is just too short. You could get through; I feel certain that the members if we could get another half an hour per day, that we will dispose of the debates much quicker.

With those few remarks, Mr. Speaker, I am not in favour of the way the distribution is, but it has already been debated.

**Hon. Mr. Brown (Provincial Secretary):** — This is just in reply to what the hon. member from Saltcoats (Mr. Loptson) has mentioned in connection with getting a greater amount of time. I would like to point out that this matter of securing radio time for the broadcast of the Legislative proceedings is becoming more and more difficult every year. It has become particularly so with the advent of television. It used to be that afternoon time on the radio stations was fairly easy to obtain, and the evening periods were much more difficult, but that has been reversed with the coming of television to the Province. Now, your afternoon times appear to be much more valuable; the times during which your TV stations are not on the air, or not putting across any programmes of any vital interest. You can now seem to obtain more time in the evenings, and not so much in the afternoon, but even with that it is becoming difficult to get time, particularly suitable time. If you will notice the schedule of the broadcast this year, you will find that there are only one or two stations on which we were able to obtain time for a direct broadcast, or a slightly delayed broadcast. In most cases, we had to settle for late evening time. As a matter of fact, some of the times I don't think personally are too advantageous and may not be very productive.

But as far as getting more time each day is concerned, I would suggest that that is practically impossible. We could, I know, probably string out the number of weeks that we use the radio if we wished, if there was any thought that there would be value in that, but as far as getting more than the time which we have at the present time, an hour and a quarter a day, I would say that it would be extremely difficult and, in many cases, the stations would be carrying your broadcast in the early hours of the morning, a time which I think the people would more than likely be in bed than up sitting and listening to what we have to say here in the House.

The question being put, it was agreed to.

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