

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Second Session — Thirteenth Legislature
12th Day

Friday, February 28, 1958

The House met at 2:30 o'clock p.m.
On the Orders of the Day:

BUDGET ADDRESS

Hon. C.M. Fines (Provincial Treasurer): — Mr. Speaker, this is the fourteenth consecutive occasion it has been my privilege and responsibility to submit the traditional Motion of Supply, and to indicate to the House something of the broad framework of the Government's budgetary proposals for the year ahead. Despite this fairly lengthy record I find my task today a somewhat unique and difficult experience. It is the first time in fourteen years I have had to present a budget under the shadow of a federal general election — and subject therefore to all the uncertainties that inevitably arise from such an event.

Indeed, I may say that even prior to the recent abrupt dissolution of Parliament, the unsettled, erratic state of affairs at Ottawa had injected a considerable measure of uncertainty into our own public finances. This has been particularly true of changes in federal programs requiring matching provincial expenditures. Consultation with the provinces seems to have been ruled out and completely unilateral decisions by Ottawa, made known by press announcements, now seem to be the order of the day. This arbitrary approach was even extended to federal-provincial fiscal relations, where the Federal Government appeared to rely upon undelivered telegrams and newspaper reports to advise us of sudden changes in policy. Now that the election has been called, the situation is even worse. I should warn the Honourable Members that the normal course of budget planning and control may be seriously violated by the unpredictable gyrations of federal policy during the period ahead.

In turning now, Mr. Speaker, to our customary review of the economic background, I must first of all, refer to the developing trends of the year just past. It will be recalled that 1956 was a year of tremendous expansion in the Canadian and United States economies, with a record-breaking advance in capital investment stimulating a vigorous industrial boom. This expansion carried over into the early part of 1957, and the steadily rising inflationary situation led to rather belated measures of monetary and credit restriction. By mid-1957, however, it was clear that the forces underlying the boom had been pretty well spent. The months following have witnessed a marked slowing down of business activity with declines occurring in many key economic indicators.

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It may be noted that the majority of analysts have now discarded such qualified expressions as "rolling re-adjustment" and "sideways movement" and are now speaking frankly of an "economic recession". The slow-down, moreover, appears to be as marked in Canada as in the United States. In this country industrial production has been edging downward since early in 1957. Corporation profits, seasonally adjusted, have been declining steadily. By last December 1st, the employment index had fallen below the level of twelve months previously. The volume of retail trade and the value of Canadian exports were barely holding their own. The gross national product for 1957 is now estimated at no more than three per cent higher than the previous year in dollar terms compared with the previous yearly advance of some 11 per cent. The impact of all this, as the Assembly is fully aware, has been a steadily rising rate of unemployment. At the present time the number of persons out of work and seeking jobs across the country is estimated at nine to ten per cent of the civilian labour force.

In the face of the overall business decline, it is most encouraging to note that the industrial economy of Saskatchewan continued to advance in 1957. Despite weakness in some sectors, such as lumber and pulpwood, the gross value of non-farm commodity production rose about seven per cent higher than in 1956. At the same time the index of industrial employment at December 1st, in contrast to the national picture, continued to hold gains achieved over the previous year.

Mineral production again made the most important advance in the province. The 1957 value of output is placed at about \$158 million, 37 per cent higher than in 1956. Substantial gains in oil and uranium more than offset some weakness in industrial minerals and a decline in value of base metals caused by sharply lower prices for copper and zinc. The construction industry operated at peak levels throughout most of the year, and the value of work performed is expected to surpass the record "intentions" figure of \$365 million forecast early in 1957. In manufacturing, the output of such new plants as steel pipe, cement, wire and cable, paper bags and so forth, was added to long established industries, and total value of shipments rose to about \$320 million. Electric power production showed little sign of slackening its rate of increase. Kilowatt hours consumed rose to almost 1.2 billion, a four-fold increase in the past decade.

The stabilizing influence of expanding industrial growth in the province was further highlighted by certain contrary developments in our basic agriculture during the year just past. Primarily because of lower grain deliveries, farm cash receipts declined to about \$511 million, a decrease of some 15 per cent. A substantial rise in cattle marketings was the most important factor in preventing an even sharper fall in cash income. Cash advances on farm stored grain provided a nominal income supplement late in the year. At December 15 last there were almost 18,000 farmers who had taken advantage of the program to collect about \$14 million in advances.

More critical trends were evident in the farm net income picture in 1957. Although yield per acre was close to the long-term average, the total crop out-turn fell far short of the bumper levels of 1955 and 1956. A decline in inventories occurred, farm prices again moved downward, and farm costs again moved upward. The inevitable result was an unusually sharp cut in net income. As evidence of the continuing cost-price squeeze, it may be noted that the index of Saskatchewan farm prices, on the 1935-39 base, fell to an estimated 187.5, a reduction over the year of about twenty points. On the other hand the index of Western Canada farm costs rose approximately six points to reach the new high of 249.5 in 1957.

It is this basically adverse situation that explains more than anything else the grave concern voiced by western agriculture over the trends of the past several years. That concern was vividly expressed in the storm of criticism directed against the first inept draft of the new federal Agricultural Stabilization bill. The successive drastic revisions of the legislation forced upon the Federal Government have effected some improvements. Since the Act itself contains very few specific guarantees, however, the real test will come in its application and administration. So far as Saskatchewan agriculture is concerned, of course, the fundamental failure of the Conservative Government has been its unwillingness or inability to provide specific support price legislation for prairie wheat, oats and barley. As Honourable Members well know, the new bill does not include these three overwhelmingly important crops. The importance of these grains is readily judged from the fact that the past ten years they have accounted for about 70 per cent of total cash income received by prairie farmers. Obviously we shall make no real progress toward assuring our farmers a fair share of the national income unless and until the Federal Government adopts a firm plan to correct this grave deficiency in its agricultural policy.

This brief comment upon developments of the past year will help, I think, to shed some light upon the outlook for 1958-59. On the national and international economic scene, we are now moving through the third cyclical recession of the postwar period. I am sure we all share the hope that, as in 1949 and 1954, the downturn will be short-lived, and that economic activity will swing sharply upward again in the latter half of this year. This thought has been expressed in President Eisenhower's annual economic report. A considerable body of opinion, however, has criticized the report as being unduly optimistic and has called for vigorous government policies to bolster the economy.

Similar differences of opinion are current in Canada. The present decline is not regarded as signifying a major depression. But in the face of such weaknesses as excess capacity in both manufacturing and resource industries, lagging farm income and commodity exports, and reduced private capital investment, it is difficult to point to

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important dynamic forces likely to give the national economy an early, upward push. There is, in fact, considerable concern that unemployment is likely to remain a very difficult national problem for months after the usual seasonal pick-up in the spring.

The influence of this somewhat clouded national outlook suggests the need for considerable caution in appraising our own economic prospects in 1958. There are, however, a number of special factors affecting the fortunes of this province that seem to justify a reasonably optimistic view of the immediate Saskatchewan outlook.

The first of these has to do with possibilities for moderate improvement in farm income. Several favourable features may be noted in the current wheat marketing and export picture. The generally higher protein content of the 1957 crop, and lowered out-turns in Australia and the Argentine, have improved our position in world markets. A much belated government policy of extending sales on longer credit terms, particularly for Colombo Plan countries, should help to expand exports. Moreover, the lower premium on the Canadian dollar is helping to increase gross returns. At the same time some levelling of production costs should develop, with consequent improvement of net income. Substantial quantities of grain held on the farms — estimated at the year-end at roughly 500 million bushels — provide a continued hedge against adverse weather conditions. Finally, farm income should be further bolstered by continuing improvement in livestock marketings, provided that the level of demand is not curtailed by a really serious recession.

A number of favourable actors also point to further expansion in the non-farm sector of the provincial economy in 1958. This is particularly true of the mineral industries. Despite the squeeze on markets, oil production is expected to rise still further, one forecast places total value of crude oil output at about \$100 million this year, compared to \$77 million in 1957. The exploration and development program should continue at a high level, particularly with the encouraging results to date in testing lower geological horizons. Expanded distribution facilities assure a further increase in natural gas production. Similarly the enlarged capacity of mills in the Beaverlodge area point to a further advance in uranium output. While the potash mines and mills will not achieve any significant production until next year, development expenditure will reach a new high. On the other hand, short of a really massive expansion of the U.S. defence program, considerably greater than the ten per cent increase recently proposed by the President, an early recover in base metals, other minerals, lumber and pulpwood seems doubtful.

The internally-based industries should be sustained by the needs of the overall provincial market. This includes both manufacturing and electric power production. Comprehensive statistics data are not yet available on investment trends, but there is little reason to anticipate

any serious decline from current peak levels of construction. Public investment in buildings, services and utilities of all kinds will rise still higher in 1958. Resource development and private manufacturing, particularly in oil refining, as well as commercial building, are all expected to maintain recent high levels. The outlook for housing and for investment generally will be aided by substantially easier money conditions and lower interest rates.

The overall levelling off of economic activity, then, I think we can again look forward with reasonable confidence to another good year for Saskatchewan. Under normal crop conditions, there is some reason to anticipate an upturn in farm income. Our industrial growth has certain uniquely favourable aspects, and total non-farm commodity production seems likely to record a further encouraging advance. In total, while personal disposable income before taxes for the province declined narrowly in 1957, projections for 1958 point to a new high record level of over \$1.2 billion. Current indicators of inter-provincial migration also point to a significant recovery of population growth by June 1st of this year. Our budget proposals for 1958-59 are aimed at reinforcing the process of economic growth, bolstering those sectors in greatest difficulty, and ensuring a fair and just distribution of the fruits of increasing production.

I come now, Mr. Speaker, to a further subject of major significance in our budget making — the problem of dominion-provincial relations. The Assembly is well aware of the hazards involved in forecasting economic trends, especially during a period of marked change. But on this occasion, as I have already suggested, an even greater difficulty is raised by the impossibility of guessing just what is going to happen at Ottawa. Events of the past few months have certainly made this plain.

Late last November the provinces were summoned to a further dominion-provincial conference by the new Federal Government in view of the many election pledges made by that government, and the explicit invitation to submit our views on pressing issues, we felt fully justified in urging upon the Dominion a number of specific measures of great importance to Saskatchewan. I think it worthwhile to review our proposals briefly today.

First, we joined with all the provinces in asking that the general system of tax-sharing arrangements be revised to allow the provinces a substantially greater share of the direct tax revenues. Together with this, we urged that the equalization principle should be fully carried out by providing for equal per capita payments to all provinces from these nation-wide tax sources. We also laid further stress upon the financial needs of the less wealthy provinces and pressed for a system of fiscal need grants, to be determined by means of an impartial statistical formula and payable to any or all qualifying provinces.

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Our second main request was for special measures to aid the municipalities, both by increasing transfers of tax revenue and by providing adequate funds at low rates of interest for capital works. Third, we reiterated our belief that federal participation in hospital insurance should commence on January 1st, 1958, and that the national plan should certainly be broadened to permit coverage of tuberculosis and mental hospitals. Our fourth proposal was for a concrete framework to facilitate joint federal-provincial investment in resource development — including, of course, the carrying out of Mr. Diefenbaker's pledge to start construction of the South Saskatchewan River project within six months of last June's election. Fifth, we pressed for an early federal-provincial conference at the highest level, specially designed to work upon solutions to the urgent problems of declining farm income. Finally we drew attention to the looming threat of unemployment and proposed an immediate start on planning a program of employment-creating public works.

Set out in such summary form, this may appear to be a far-reaching list of objectives. But set against the needs or the capacity of our country, I am convinced they are neither extravagant nor unrealistic. Indeed, it may be noted that in recent months the Federal Government has put forward several gestures in support of them. It is, therefore, all the more disappointing that we have seen so little genuine progress toward their achievement.

Certainly the so-called "interim" adjustment in the tax-sharing arrangements, involving an increase from 10 to 13 per cent of federal personal income tax rates to be made available to the provinces falls short of the needs of the provinces and municipalities. Not only is it woefully inadequate, but it is provided for one year only. It is disquieting, too, not to receive from the federal Minister of Finance a firm assurance that the equalization formula will be upheld in at least its present form. Indeed a majority of provinces had hoped that it would be improved. While we welcome the special grants to the Atlantic provinces, they have been rightly criticized as smacking of a charitable handout, rather than based upon a sound principle as a matter of right. We feel that a far more constructive policy would have been to adopt our proposal to provide such aid on the basis of an objective formula applicable across the nation. As for hospital insurance, it is clear that the Federal Government has now turned its back upon its pledge to include mental and tuberculosis hospitals. Moreover, it is impossible to understand why that same Government would not take legislative steps before dissolving Parliament to guarantee that the starting date for federal participation will in fact be July 1st next. In the past month a great deal of fanfare and publicity has been given to announcements of resource development projects, aid for agriculture, and employment-creating public works, yet as recently as the last November conference, the administration at Ottawa turned a completely deaf ear to all provincial proposals for action along these lines.

As for inter-governmental relations within Saskatchewan, Mr. Speaker, I stress again that it is this Government's firm policy to provide increasing aid to the municipalities and other local jurisdictions. The budgetary proposals which I shall detail in a few moments will again make this policy crystal clear.

At the same time I must reiterate my conviction that merely providing more money cannot in the long run properly encourage and protect the democratic vigour and independence of local government in our province. For this reason I am particularly happy that all the organizations representing our rural and urban municipalities, school bodies, and other local institutions, have joined in the work of the local Government Continuing Committee to give it their whole-hearted support.

The Assembly will recall, I am sure, the historic conference of December 1956, and its culminating resolution. In accord with that resolution, the Committee has been hard at work for the past six months. It is undertaking what is probably the most thorough-going study of the organization, structure, responsibilities, and fiscal problems of local government ever attempted in Canada. The estimates provide for pushing ahead with this huge and difficult task throughout the next fiscal year. I cannot attempt here to anticipate the final results. Nevertheless I am confident that the Committee will come up with a plan that will command support both for its regard to the enduring importance of local democracy and for the realistic, yet far-seeing changes it will undoubtedly propose.

The operating results of the provincial Crown Corporations in 1957 reflect the influence of some of the chequered economic trends I have previously noted. Although the annual reports have not yet been completely audited, I should like to report here briefly on the basis of preliminary figures. The total volume of sales and services registered a further substantial increase of 11 per cent over the previous year, rising to more than \$63,000,000. At December 31st last, 5,144 men and women served in the various companies, and the total payroll for the year amounted to more than \$18,000,000. The record-breaking expansion in the power, gas and telephone systems forecast in the budget of one year ago boosted our advances to all the self-liquidating enterprises to some \$234,000,000. Gross surpluses before interest for 1957 increased to \$11,515,584. However, with a higher cost for money and lower earnings from several of the smaller companies, net surpluses after interest are placed at about \$4,500,000, a slight decrease from one year ago.

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The statement of advances and earnings placed on the record here shows that two companies incurred deficits. The first of these, the Wood Enterprises Division of Saskatchewan Forest Products, has continued to face increasing difficulties. The rapid substitution of corrugated paper for wooden boxes, the lagging grain movement reducing the demand for grain doors used in box cars, and depressed markets in the furniture industry beyond the province have made the outlook so bleak that it was decided to discontinue the manufacturing operation. The deficit of \$144,825 indicated in the statement therefore includes the operating loss for the year, severance pay for employees, and the capital loss arising from a write-down of fixed assets. Certain aspects of the business have been assumed by the Timber Board, where the 1957 surplus amounted to \$500,000. While this figure is lower than in the previous year, because of reduced lumber prices and difficult market conditions, it is worthwhile noting that the Board's operations were sustained at a very high level. A special effort was put forward to maintain employment and payrolls in the forest products industry.

Saskatchewan Guarantee and Fidelity, which operates primarily as a re-insurance concern with world-wide connections, also incurred a deficit in 1957. The Company's experience reflected the adverse trend of the general insurance industry throughout the world, particularly in the way of auto-claim and crop-hail losses. In Canada itself it is estimated that the underwriting losses of all fire and general casualty companies jumped from \$40 million in the previous year up to between \$60 and \$70 million. Net earnings of the Saskatchewan Government Insurance Office for the year amounted to \$173,000 so that the overall results of our insurance operations remained favourable.

The losses of the two companies noted may be set against the total surplus of \$997,537 achieved by the remaining companies, not including Power and Telephones. The net result for this group of smaller companies was a return of \$758,283 on advances of \$9,707,000. This represents a dividend of 7.81 per cent to the Treasury for the year. It may also be noted that the companies paid a sum of \$727,000 in royalties to the Government and made grants in lieu of taxes to municipalities of \$75,948. Similar grants-in-lieu paid by the Power and Telephone Systems totalled \$399,000. I am incorporating in the printed copy of this address a summary statement of the operating results.

**SUMMARY OF RESULTS OF OPERATIONS OF CROWN CORPORATIONS FOR YEARS
ENDING IN 1957 ***

(before interest)

	Advances at Year-end	Surplus or Deficit for the Year	
Saskatchewan Government Airways	\$725,000	\$15,215	
Saskatchewan Timber Board	3,330,000	499,908	
Saskatchewan Wood Enterprises	740,000	144,825	+
Saskatchewan Fish Marketing	115,000	1,969	
Saskatchewan Fur Marketing	188,000	9,540	
Saskatchewan Government Trading	333,000	15,335	
Saskatchewan Government Insurance Office	—	172,954	
Saskatchewan Guarantee & Fidelity	365,688	94,429	+
Saskatchewan Clay Products	650,000	43,261	
Saskatchewan Sodium Sulphate	1,085,000	106,656	
Saskatchewan Government Printing	275,000	37,723	
Saskatchewan Transportation Company	1,900,000	94,976	
	<u>\$9,706,688</u>	<u>\$758,283</u>	
Saskatchewan Power Corporation	\$170,313,307	\$6,836,957	
Saskatchewan Government Telephones	54,024,752	3,920,344	

* All figures audited except for S.P.C. and S.G.T.

+ Deficit

FISCAL YEARS 1956-57 and 1957-58

The 1956-57 Public Accounts have been tabled. They show revenues of \$104,277,535, expenditures amounting to \$98,243,042 and a surplus of \$6,034,439. This is the sixteenth successive fiscal period that the province has reported a revenue account surplus. The surplus figure for 1956-57 does not take into account liquor profits of \$10,992,638 which were transferred to Treasury and applied to capital account expenditures.

Before considering the present fiscal year, I think I should point out that these are the last public accounts which will report on the finances of the province using revenue and capital accounts. Henceforth, revenues and expenditures will be classified and reported as budgetary (those which affect net debt) and non-budgetary (those which do not affect net debt). Honourable Members will recall that these changes, along with changes in the statements, were discussed in my budget address of last year. A monograph outlining the new system in detail has been prepared and will be tabled. It is a pleasure to report that the change-over to the new system has been made with a minimum of disruption. I am confident that next year, when the present transition

period is over, and we have the new basis in effect for comparative purposes with the previous year, their value will be apparent to all.

I wish now to place before the House the comparative balance sheets of April 1st, 1957 and Decanter 31st, 1957.

(See Page 12 of Budget Speech)

This statement shows that the operations for the year to date have been favourable and that the net debt of the province has been reduced by \$7,134,625 to \$31,861,025 as at December 31st, 1957. I am not attempting in this statement to make any comparison with previous years, as similar statements are not yet available. As a matter of interest, however, and to facilitate transition to the new system, I have included a debt statement on the former basis. This shows that the net debt as at December 31st, 1957, was \$51,673,347. The reason for the lower debt figure using the new accounting method is that cash as well as certain advances for working capital, school loans and other purposes are treated as assets, while the former system paid no attention to these assets.

COMPARATIVE STATEMENT OF NET DEBT

(On Former Basis)

	December 31 1956	December 31 1957
Gross Funded Debt	\$214,729,820.00	\$285,538,580.00
Gross Debt	31,554,043.90	24,435,947.05
Less Sinking Funds	23,803,096.04	31,796.863.50
Direct and Indirect Debt after deducting Sinking Funds	\$222,480,767.86	\$278,177,663.55
Less Loans and Advances to Revenue Producing Enterprises	158,608,063.54	226,504,316.97
Net Direct Debt	\$63,872,704.32	51,673,346.58
Population	880,665	879,000 (1)
Per Capita Net Debt	72.53	58.79
Contingent Liabilities	\$4,492,887.33	\$5,539,325.47

(1) Estimated

A year ago, in the budget you approved, provision was made to reduce the net debt by \$3,600,000. During the year, substantial over-expenditures have been incurred by several departments. The largest amounts are for the Hospital Plan and for highway and grid road construction. A new scale of allowances has led to some over-expenditure in Social Welfare. Estimates for the Department of Education have also proved to be low. Supplementary estimates are, of course, being presented to cover these and other items.

Fortunately, however, all major revenues, with the exception of payments under The Tax Sharing Arrangements Act, are running well ahead of original estimates. It is expected that these increases will more than compensate for over-expenditures. I am therefore confident that once again we shall end the current fiscal period with a substantial surplus of budgetary revenues over budgetary expenditures.

In my last budget address I referred to the sharp rise in interest rates. This trend continued until September, at which time there was a levelling off, but only after the bank rate had risen to a level of 4.33% and the yield on ninth Victory Loan Bonds maturing in 1966 had risen to as high as 4.88%.

As indicated a year ago, it has been necessary to borrow \$50,00,000 for Power and Telephones during the current fiscal period. We had already obtained \$15,750,000 in advance. Despite the extremely tight money market, the balance required has been successfully raised, and in addition we have borrowed \$25,000,000 for the construction program in 1958. The following table indicates the bonds sold during the present fiscal year:

CAPITAL BORROWINGS 1957-58

<u>DATE</u>	<u>MATURITY</u>	<u>COUPON</u>	<u>PAYABLE</u>	<u>AMOUNT</u>
April 1, 1957	April 1, 1977	4 3/4%	Canada	\$7,000,000
July 1, 1957	July 1, 1960	4 3/4%	Canada	15,000,000
August 1, 1957	Aug, 19, 1977	5%	Canada	6,000,000
Oct. 15, 1957	Oct. 15, 1977	5 1/4%	Canada	7,000,000
Dec 2, 1957	Dec 2, 1977	5%	U.S.A.	25,000,000

During the year, all debentures and treasury bills have been paid off as they became due. Provisions have now been completed whereby the maturities in 1959 and 1960, which amounted to the very large sum of \$27,000,000 and for which practically no sinking funds have been established, will be retired without the necessity of refunding any portion. Through prior redemptions the amount actually coming to maturity has been reduced to \$14,200,000, for the retirement

of which we now have sinking funds of over \$6,500,000.

During the present fiscal year there have been debt redemptions amounting to \$8,330,014, as follows:

DEBT REDEMPTIONS 1957-58

<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>AMOUNT</u>	<u>INT. RATE</u>	<u>PAYABLE</u>
1927	June 1, 1957	\$2,471,000	4 1/2%	London, Canada or U.S.A.
1927	Sept. 15, 195	336,300	4 1/2%	Canada
1927	Nov. 15, 1957	1,100,000	4%	Canada or U.S.A.
1928	Jan. 23, 1958	40,320	4%	Canada
1929	May 1, 1959	5,720	4 1/2%	Canada
1930	Jan. 1, 1960	1,100,000	5%	Canada
1930	Mar. 15, 1960	500,000	4 1/2 %	Canada or U.S.A.
1931	Oct. 1, 1961	87,960	5%	Canada
1933	Nov. 1, 1963	16,600	5%	Canada
Treasury Bills	-	1,172,114	-	Ottawa
Treasury Bills	-	1,500,000	-	Regina
		<u>\$8,330,014</u>		

Because of the higher interest rates during the past year, the average interest rate on our outstanding debentures has increased to 3.78% and will undoubtedly be higher at the end of the present fiscal year. You will recall, Mr. Speaker, that estimates for the current year contemplated budgetary revenues of \$119,867,080 budgetary expenditures of \$116,231,250, and a budgetary surplus of \$3,635,830. The budget for the fiscal year beginning next April 1st is based on estimated revenues of \$131,547,000. Budgetary expenditures are estimated at \$130,004,230, leaving a surplus of \$1,542,770 to meet non-budgetary payments. To compare expenditures for the two years, however, it is necessary to add to the 1958-59 figure an amount of \$5,300,000, representing the estimated federal reimbursement on hospital insurance. The increase in proposed expenditures over the current year would then be in the order of \$19,000,000.

The non-budgetary section of our accounts contains those transactions which do not affect the net debt. In 1958-59 the non-budgetary payments proposed will exceed \$78,000,000. Of this amount, almost \$68,000,000 required for loans and advances to the Saskatchewan Power Corporation and Government Telephones, will be financed by borrowing.

That we can now confidently plan to raise a sum of this magnitude is a tribute to the excellent financial health of this province. It clearly indicates the high esteem in which Saskatchewan securities are held by investors.

The remaining non-budgetary items, including sinking fund payments, debt retirement, and other loans and advances, total \$10,409,000. The cash required for these items will be obtained from non-budgetary receipts of from the budgetary surplus and from existing cash balances. Honourable Members will, I am sure, appreciate that these three sources of financing are available only because of following prudent financial policies in the past. If such policies had not been followed, additional borrowings of almost ten and a half million dollars would be required.

Under our now system of accounting, the overall effect of the 1958-59 budget is immediately apparent. As shown in the "Budget Summary" which is included in the printed copy of my address, it is expected that the operations of the new fiscal year will further reduce the net debt by \$1,542,770. Apparent, too, is the effect on our cash position: implementation of the new budget will reduce existing cash balances by \$6,319,430.

In tabling the estimates, I would draw your attention to another change which has been made this year. From time to time members on both sides of the House have suggested that more detailed information be presented for Committee of Supply. An attempt is made in these estimates to provide such material. I would appreciate hearing the views of Honourable Members on this change.

I should like now, Mr. Speaker, to outline our estimated revenues for the coming year in some detail. The overall figure of \$131,547,000 reflects, perhaps better than any other index, the new economic stature of the province.

It is significant, I think, that payments from the Federal Government constitute a smaller percentage of our total revenues. The estimates upon which they are based have also proven to be very unreliable. In December, 1956, the Federal Government of the day claimed that under its new tax-sharing system, payments to Saskatchewan in 1957-58 would rise to \$36,000,000, an increase of more than \$6,000,000 over the previous year. At that time I expressed some scepticism over the accuracy of the estimate, and pointed out that in any case a continuation of the former tax-rental system would have provided us with well over \$31,000,000. When the federal budget for the year was brought down, it showed that our scepticism had been fully justified — the estimated payment to Saskatchewan had been reduced to \$34,600,000. We are now told that we can expect only \$33,000,000 this year, and even that figure may be high.

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In forecasting the payments for 1958-59, therefore, we think it unwise to rely upon the figures made public in Ottawa, particularly since, as the House will recall, even these had to be changed within two days of the first announcement by the federal Minister of Finance. In the alternative, the only reasonably reliable estimate to use would appear to be the minimum guaranteed under the Act. This is 95 per cent of whatever payment is received this year, and would therefore mean about \$31,000,000. To this may be added the \$3,500,000 increase, announced so abruptly just five weeks ago, yet as our revenue estimates clearly show, this latest development does no more than restore our finances to the position we thought we had achieved in the budget of one year ago. It does nothing to assist us in planning further expansion of program or further grants to local government jurisdictions.

Happily, our own revenues are founded on factual expectation. The largest single item is mineral revenues. This is an amazing story, Mr. Speaker — from \$232,000 in 1944-45 to an estimated \$25,000,000 in 1958-59. All items are up considerably except for quartz royalties. The \$1 1/4 million expected decrease from this source is due, of course, to the world-wide fall in prices of copper and zinc.

The estimated return from the Education and Hospitalization Tax for 1958-59 is \$18,500,000. At first sight this appears to be a sizeable increase. However, returns for both 1956-57 and the current year will run considerably higher than our estimates.

Substantial increases are also expected for gasoline tax and motor vehicle licenses, which are estimated at \$18,000,000 and \$6,500,000 respectively. Last year's tax change has apparently not restricted consumption. Gasoline sales are still climbing. The vehicle population also continues to increase. Thanks to the rapidly improving condition of Saskatchewan's highways and roads, we feel confident in estimating an additional \$1,700,000 for gas tax and \$500,000 for motor vehicle licences.

A new revenue item appears under the title of Saskatchewan Government Telephones dividend. This amount, representing the expected net earnings for 1958, is included to permit more uniform accounting and revenue sharing in the Trans-Canada Telephones System, of which the company is a member. Its treatment as a budgetary revenue means that we must borrow that much more for the company. However I can assure you that Saskatchewan Government Telephones debentures of an amount equivalent to or exceeding the profit figure will be purchased each year by government funds.

Before examining detailed expenditures Mr. Speaker, we need first to consider our policy objectives. This Government is dedicated to improving the welfare of the people of Saskatchewan. This was our goal in 1944; it has been our goal each year since; it is still our goal today.

More specifically, the objectives of this budget are six-fold: to further educational opportunity in the province; to improve and diversify our basic agricultural industry; to stimulate economic growth and resource development; to and extend Saskatchewan's leadership in the fields of health and to lighten the financial burden borne by local government; and finally, to do everything possible to maintain the economy at a high level and alleviate the threat of unemployment.

I first turn to our budgetary proposal for the Department of Education. The rising cost of education continues to be one of the most urgent problems facing governments today. In keeping with our pledge to enlarge school grants as revenues become available, we are proposing to add to the increase of \$4.4 million provided in 1957 a further boost of almost \$3,400,000. This provision will raise the total figure for school grants in 1958-59 to \$20,000,000. Under this program the province's share of total local school costs is expected to reach almost 40 per cent.

The size of school grants so overshadows other provincial expenditures on education that there is a tendency to forget them. The total budget for the department next year will be just under \$26,500,000 with increases other than school grants amounting to \$700,000. For example, additions to the already lengthy list of free textbooks and readers which are provided by the province will require an increase of roughly two-thirds over the amount spent this year. Total expenditures for this purpose will rise to \$465,000 in 1958-59.

Provision is also made in this budget for the establishment of the proposed provincial technical institute. We have now reached the stage where a beginning can be made on the physical plant required.

As Honourable Members are well aware, enrolment at the University of Saskatchewan is rising and the University must continue to expand to keep pace with the growing demand for its services. Total provincial assistance to the University will reach \$4,000,000 in 1958-59. This includes 1 1/2 million for new buildings and it is anticipated that this same capital amount will be required for each of the next two years.

Despite the relatively recent need for such development as technical training, agriculture remains our foremost industry. Needless to say, the health of this industry has always been a major concern of this Government and the budget presented today reflects in many ways the influence of the work of the Royal Commission on Agriculture and Rural Life and its many recommendations for improving rural conditions. But as Honourable Members well know, and as the reports of that Commission clearly show, the key problems in the farmers' struggle to secure a decent standard of income lie primarily beyond the control of the province. Our role is necessarily limited, in the main, to improving rural services and assisting in the expansion of production. A whole range of government activities, including increasing aid for local schools, expanded rural road and highway programs, and broad health and welfare measures contribute directly to the welfare of the farmer and his family. The work of the Department of Agriculture itself is primarily directed toward assisting in production problems, and the proposed vote for the department is raised by some 10 per cent this year to a total of \$5,511,670.

The principal new development attests to the Government's concern over the continued rising cost of farm machinery. We now have the necessary staff available to permit full establishment of an Agricultural machinery Administration. In 1958-59 this new service will require over \$100,000. The Administration will implement regulations for the protection of the farmer and will carry out tests to help the farmer in the selection and operation of his machinery.

A considerable expansion is provided for the agricultural representative and farm management extension services. This was an important recommendation of the Royal Commission, and the budget provides some \$569,000 for this basic work in the next fiscal year.

Over the past two years the reduced moisture conditions have enabled a changed emphasis in our program of capital development for agricultural lands. Expenditures on drainage have been reduced. The overall capital budget is up substantially, however, through raising the proposed expenditures on forage and pasture development to over half a million dollars.

The uncertainty of grain markets and prices has accentuated the need to diversify our agriculture through expanded livestock production. A total increase of \$385,000 for the development and operation of forage projects and community pastures will be spent in 1958-59 as part of a many-sided program to foster and improve the livestock industry of the province. Another major advance will be an expanded calf-hood vaccination program. It is estimated that our farmers now suffer an annual loss of at least \$2,500,000 because of Bang's Disease afflicting their livestock. It is hoped that by spending \$50,000 annually over a five year period, this loss can be virtually eliminated.

Finally let me add a word about the South Saskatchewan River Project. As the Premier indicated, considerable progress has been achieved toward reaching an agreement with the Federal Government, with a view to an early start on construction. Now I have been charged with (and I quote) "trying to change the rules between innings" in these negotiations. Nothing could be further from the truth. So far as I am concerned this matter is not a game. It is a very serious business, involving a tremendous financial burden upon the province. I should rightly be accused of shirking my responsibilities as Provincial Treasurer if I failed to press upon Ottawa in every way possible, Saskatchewan's rightful claim to receive financial consideration at least as favourable as that clearly accorded to other provinces in Canada.

Having said that, I should add that it is important at this stage not to take any action likely to prejudice the discussions with Ottawa, to load them in any direction or attempt to prejudge them. Furthermore, even if an agreement is finally signed, sealed and delivered, it is doubtful if the immediate expenditures can be very large. For these reasons, no express provision is made in this budget to finance provincial obligations in the project. I want to assure the House, however, that we are giving this question the very closest study and attention.

Of all the problems of government in a dynamic and forward-looking society, none is more exciting or challenging, or as the past few years have so ably demonstrated, more rewarding, than that of strengthening the economic structure of the Province through the intelligent use of our resources. This budget contains many measures designed to stimulate economic growth and resource development.

The well known story of Saskatchewan's rise as a major producer of petroleum, natural gas, uranium and other minerals needs no detailed recounting. This rise is clearly demonstrated by the number and variety of new tasks which must be recognized by the Government. Our responsibilities for stimulating, assisting and controlling mineral development have expanded to the point where a full department, which will spend nearly \$1,400,000 in the coming year, is warranted. Increased professional staff is required in the Petroleum and Natural Gas Branch to cope with the administration of our exploration and production areas. A new geophysical laboratory will be opened in 1958-59 to meet the demands for service of the steadily increasing number of oil wells in the province. An expanded mine rescue program will be instituted in the Uranium City area.

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The airborne geophysical surveys in the Lac La Ronge area, which proved so successful last year, will be continued. Access and development roads, however, provide the key to the opening of the mineral treasure-house of our northland. In the last twelve years, we have constructed over 2,500 miles of northern roads. Recently the Federal Government announced its intention of participating in the program for the next five years. Our plans have, accordingly, been expanded. We are asking the Legislature for the gross amount of \$3,190,000 for 1958-59, of which the Federal Government says it will contribute nearly 50 per cent. Implementation of the whole program will, of course, be contingent upon federal action becoming a reality.

Intelligent exploitation of our resources is not enough, however. Even greater stability in our economy has been and will be achieved through the development of secondary industry. Reflected in the 1958-59 budget is a continuation and expansion of those methods of assistance which have proven so successful in recent years. We are providing \$500,000 in this budget to meet known demands on the Industrial Development Fund.

Our own corporations continue to prosper, Mr. Speaker, and, at the same time, are making substantial contributions not only to employment but also to resource utilization and the general economy of the province. Perhaps the best example of this effect on Saskatchewan's economy is provided by the Power Corporation. The tremendous capital expansion of the Corporation is directly responsible for the establishment of several new manufacturing plants in the province. In turn, the Corporation's capital expansion is due, in large part, to the growth of industrial loads. Assured supplies of low-cost power and gas in turn facilitate the establishment of further new industries.

In 1958 the Power Corporation's total new capital requirements will reach the staggering sum of \$57,000,000. Additional generating units at Saskatoon and Boundary Dam will require more than one-third of this amount. Another \$14,000,000 will be needed for the expansion and improvement of transmission and distribution facilities. Expenditures on rural electrification will be maintained at \$6 1/4 million. Finally a total of \$16,000,000 will be invested in the provincial natural gas system primarily to strengthen and reinforce our vital sources of supply.

Advances to Saskatchewan Government Telephones will reach almost \$11,000,000 in 1958-59. The major investment results from our participation in the rapidly improving long distance facilities of the Trans-Canada Telephone System. Continuing oil and mineral development has strained existing facilities within the province. Heavy expense is also involved in extending the microwave system to various centres in Saskatchewan.

It is our belief, Mr. Speaker, that a good highway system is not only essential for the pleasure and convenience of our citizens and visitors to this province, but it is vital to the growth of our economy. Despite the fact that Saskatchewan has the highest ratio of road miles per person in Canada, the overall quality of our system now compares favourably with that of any province. Just last summer we had the satisfaction of being the first province to complete its section of the Trans-Canada Highway. Unfortunately, the Federal Government has thus far refused to agree to our request for an early start on a second main inter-provincial route. Nevertheless we propose to take up the slack and will maintain expenditures on highways at the peak level reached while the Trans-Canada was under construction. We are, therefore, providing for a total appropriation of \$25,000,000. Maintaining expenditures at this level will enable us to fulfil our pledge of \$100 million for highways in less than the five year period originally proposed. The vote also includes the expanded cost of assistance to urban centres for streets on provincial highway routes.

No review of Saskatchewan highways would be complete without some to the tremendous progress that has been made in construction of the market road grid. This budget provides for grants of \$3,740,000 to assist municipalities in this program. You will recall that the plan as originally conceived foresaw a yearly provincial contribution of \$2,500,000, representing 50 per cent of the for a ten year period. It is now expected that the cost of the complete project will be \$60,000,000 rather than the original estimate of about \$50,000,000. The Provincial Government now plans to make grants, Mr. Speaker, not of \$25,000,000 or even \$30,000,000 but of \$36,000,000 for the ten year period. In other words, the province has absorbed the total increase in cost and raised its contribution to 60 per cent. Equalization grants for other local roads will also be enlarged by \$100,000, and the inclusion of other services will bring the total amount provided for municipal road assistance in 1958-59 to \$5,235,000.

Despite our concentration on local government problems and measures to strengthen the economy of Saskatchewan, care has been taken in the formulation of this budget to ensure that our basic and long-standing concern, the welfare of the Province's citizens, has not been neglected. The 1958-59 budget provides for further advances in health and welfare to maintain Saskatchewan's outstanding leadership in Canada in these fields. A gross amount of nearly \$50,000,000 will be devoted to the programs of these two departments next year.

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The budget continues to emphasize the crucial importance of preventive health. Provincial contributions to the health regions will be increased by \$150,000 for the next fiscal year. Provision is made for the establishment of at least one more health region and general improvement of services in existing regions. A most encouraging upsurge of interest has taken place at the local level during the past two years. It strongly suggests that within a short time the entire settled area of the province will be covered by fully organized health regions providing a high level of basic preventive health services.

Expenditures on our many-sided curative program also continue to rise. For example, an additional \$112,000 is provided for cancer services, raising the total expenditure on this program to \$1,275,000. In other provinces, and formerly in this province this cost would be met, if it could be met at all, from the pocketbooks of unfortunate individuals. Increased costs of the Hospital Services Plan will require an additional provincial contribution of \$3.3 million in 1958-59. In this connection, Mr. Speaker, I draw attention to the fact that a reimbursement from the Federal Government has been included in the budget — with some misgivings as to whether it will actually be forthcoming. Honourable Members will recall that the present Federal Government has promised to begin paying such reimbursements on July 1st, 1958, "after the next session". With our fingers crossed, and allowing for a two month delay before the first cheque is actually received, we have estimated that we should receive about \$5.3 million in 1958-59. Although the federal formula calls for a 50 per cent sharing of cost by Ottawa for Canada as a whole, the actual share in each province will vary considerably. In our case the federal contribution will only amount to about 43 per cent of shareable costs. Moreover, important expense elements in our hospital plan such as administration and depreciation costs, are not recognized at all by the federal scheme.

Provision has also been made for matching the recognition by the Federal Government that hospital construction costs have risen drastically in recent years. An increase of \$250,000 in grants to hospitals for construction purposes is included in the budget.

Striking evidence of government's concern for people is shown in the program, for the care of the mentally ill. In recent years there has been a awakening of public interest in this problem, and I think we can rightfully claim that Saskatchewan has been giving the lead to all other provinces in the improvement of mental health services. It is noteworthy that in 1955, the last year for which comparative expenditure data assembled by the Dominion Bureau of Statistics are available, provincial government payments for operating mental institutions amounted to \$3.38 per capita for Canada as a whole. Quebec

and the Maritime provinces were much below this level; Ontario, Alberta and Manitoba only slightly above. But Saskatchewan led all provinces in providing almost twice the national average expenditure — \$6.65 per capita.

In the budget for 1958-59 the total sum provided not only for operating our institutions, but also for capital improvements, preventive clinics, research programs and other services will exceed \$10,000,000. This works out at over \$11.80 per capita. Over \$1,200,000 is provided this year for modernization and improvement of our hospital facilities. There is also an increase of \$750,000 to secure additional professional staff to expand social work facilities for the re-establishment of patients in their home environments, and to extend the number of full-time mental health clinics. Despite the rapid growth of the program, I fully realize that a great deal remains to be done. It must be recognized, however, that more rapid progress can only be achieved within the limits imposed by available financial resources and the multitude of alternative competing demands.

In welfare services, the principal increase will be in the area of public assistance payments. We welcome recent federal action in raising allowances under various categorical programs and the small concession made with respect to the cost of unemployment relief. At the same time, the province's contributions to all public assistance programs, including mothers' allowances, old age pensions, and free health services, will rise by more than \$1,000,000 in the new fiscal year.

A final group for which special recognition has been made in this budget includes the aged, the chronically ill and handicapped. An additional \$225,000 for the operation of provincial geriatric centres, bringing the total amount to \$1,350,000 is evidence of the magnitude of the problem of ageing and chronic illness. These problems must receive increasing attention as the percentage of our population in the upper age bracket steadily increases. An amount is also included, therefore, to begin a comprehensive long-range study in this field. Restoration of the physically handicapped to useful places in society is another growing program which is reflected in our plans for 1958-59. An additional \$100,000 for rehabilitation services and for physical restoration centres has been provided in this budget.

In reviewing the expenditure highlights, no specific reference has been made to the financial status of school units and municipalities. The province's indispensable partner in improving the welfare of the people of Saskatchewan is, of course, local government. As the Premier has formally declared, the Government of this province accepts, as an article of democratic faith, the need for strong and effective local administration. Until the Continuing Committee has reported and until we are in a position to develop a sound organizational structure, however, a realistic strengthening of local financial resources is most difficult. In the interim, recognizing

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existing financial problems, this budget provides for further substantial increases in aid to local government.

It will be recalled that at the Local Government Conference of December, 1956, the Province committed itself to provide additional aid, largely on the expectation of higher federal payments under the tax-sharing arrangements. Our own commitment was made good in the budget one year ago. But as I have already mentioned, the federal contributions have fallen far short of the amounts first indicated. Moreover, prospects for a significant improvement in 1958-59 are very poor indeed. We can only hope, Mr. Speaker, that if and when a federal budget is at last presented to Parliament, it will reveal a more realistic appreciation of the financial needs of the municipalities, and other local jurisdictions.

Let me summarize the highlights of our own budget, reflecting an increase this year of more than \$6,000,000 in further aid to local government. Higher school grants total almost \$3.4 million. The vote for the Municipal Road Assistance Authority is raised by more than \$1.3 million. Expenditure by the province on social aid and public assistance will cost an additional \$954,000. Further expenditures in health regions and additional health services for public assistance cases will total \$260,000. Increases in other forms of assistance to local government, e.g., administration of local improvement districts, municipal medical care grants, and so forth, will amount to over \$600,000.

It is of interest to consider not only the yearly increase in assistance to local government, but also the total amount provided for this purpose in the 1958-59 budget. Education grants, public assistance and expenditures on the market road grid total \$32 million dollars. Other kinds of assistance to local jurisdictions amount to \$10 million. This Government has reason to be proud that out of a budget of \$130,000,000 almost one-third, or \$42,000,000 will be spent during 1958-59 in directly assisting our local institutions.

A statement of provincial aid to local government would hardly be complete without some mention of services now provided at the provincial level which were, until recently, local responsibilities in Saskatchewan and which are, in some provinces, still supported as local responsibilities. I am referring to services such as our Hospital Plan. If this service can be considered as indirect aid to local government, and quite frankly, I believe it can, then a further budgetary expenditure of \$16.6 million can well be added to the \$42,000,000 of direct provincial assistance to local governments in 1958-59. This is a total of almost \$59 million.

A particularly vexing problem of some local government units is that of capital financing. In recognition of this, I announced at the Local Government Conference in December, 1956, our intention to assist local governments by purchasing debentures from those units

encountering real difficulty in capital borrowing. The effects of that policy can now be for a full year. The table which is included in the printed address indicates that the Province bought one bond of every five issued by local governments in 1957. For school units, provincial purchases accounted for almost 45 per cent of the amount issued. This kind of provincial assistance cannot be overlooked when assessing the overall aid given to local government in Saskatchewan. I may add, as well, that the Government is giving very serious study to the recommendation by the Royal Commission on Agriculture and Rural Life that steps be taken to establish an effective capital financing authority for the larger school units.

LOCAL AUTHORITY DEBENTURES PURCHASED BY GOVERNMENT FUNDS

January 1 to December 31, 1957

Local Authority	Total Issued *	Purchased by Govt. Funds	Percentage Purchased by Govt. Funds
School Districts	\$988,000.00	394,000.00	39.88
School Units	1,636,950.00	729,664.58	44.57
Towns and Municipal Corporations	2,446,959.02	1,064,000.00	43.48
Cities	11,492,940.60	1,376,344.31	11.97
Hospitals	597,900.00	168,000.00	28.10
Villages	61,000.00	6,000.00	9.84
Rural Municipalities	167,000.00	-	-
Total	\$17,390,749.62	\$3,738,008.89	21.49

* Debentures signed and sealed by Local Government Board in period January 1 to December 31, 1957.

This budget has been formulated, Mr. Speaker, under the lengthening shadows of unemployment and with uncertainty over future economic conditions. In the past few months it has become increasingly apparent that unemployment is a national problem which requires national remedies, and that preventive measures are preferable to and much less costly than remedial steps. Honourable Members will recall Saskatchewan's concern, last expressed at the 1955 Federal-Provincial Conference, over the willingness of the former Federal Government to abandon fiscal policy as a necessary tool in maintaining full employment. Unfortunately, the change in government in Ottawa has not produced a change in this approach.

Throughout the entire post-war period, public and private investment has been a strategic dynamic factor in maintaining a high level of employment for our citizens. To compensate for the general slow-down in private investment, a conscious attempt has been made in this budget to provide projects which will combat unemployment in Saskatchewan. The importance of public projects in relation to employment is considerable; it is expected that capital expenditures by agencies of the Provincial Government will constitute about 20 per cent of the total capital investment in the province in 1958. The gross budgets for new investment and replacement expenditures for the Power Corporation and Government Telephones alone all exceed \$70,000,000.

Other proposed capital expenditures will have a similar beneficial effect on the economy. Budgetary capital expenditures for 1958-59 will total almost \$26,000,000 compared with \$20,700,000 for the current year. Expenditures on highways, grid roads and public works are particularly effective in producing jobs for Saskatchewan citizens. The Public Works budget of \$8,800,000, higher than last year by \$2,325,000 is almost wholly of a job-creating nature. Projects like the provincial laboratory in Regina and the Saskatoon court house, which have gone forward through this winter, have helped to keep unemployment in Saskatchewan lower than elsewhere in Canada. Similar projects for 1958-59 include the Health and Welfare building in Regina, completion of the Saskatoon court house, an extension to the new boys' school, a hospital in Lac la Ronge and, in the budgets of our crown corporations, a million dollar telephone warehouse in Regina and a variety of other buildings in the smaller cities and towns. Not without its effects, particularly in rural centres, is the impetus given to municipal works through provincial purchase of local debentures. In many cases the provincial purchase spells the difference between proceeding with or abandoning a project.

The budget I have just presented, Mr. Speaker, seems to me to throw particular stress upon a very important aspect of public affairs in Canada today. This is the growing inter-dependence and the need for co-ordinated effort among all three levels of government. Within Saskatchewan we are continually seeking to improve our relationships with local government, the better to serve the people both of our individual communities and the province at large. I think we can honestly claim an encouraging measure of success. It is abundantly clear, however, that provincial-local action is critically influenced by, and dependent upon, the whims of the national government. Nowhere is this more evident than in our attempts to contribute to full employment. The Saskatchewan Government is anxious to co-operate in every way possible with Ottawa in overcoming the present troubled and potentially dangerous situation. But the country as a whole is greatly in need of more dynamic co-operative leadership and vigorous action from the national government.

This is what we mean by social planning. This is surely the key to maintaining full employment and prosperity for all of Canada.

Because our budget contributes to this objective within Saskatchewan, I am confident that it will receive the approval of the citizens of this province.

SECOND READING

Bill No. 55 — An Act to amend The Exemption Act

Hon. Mr. Walker (Attorney General): —Mr. Speaker, this amendment is a replacement of Section 6 and Section 7 of the Exemptions Act. As hon. members know, The Exemptions Act exempts from seizure under execution, certain property belonging to a person, and that includes the home when occupied by the debtor. It also includes the home when occupied by the wife or family of the deceased debtor, but through a defect, a technical defect in the wording of the section which is the same as the section in the Alberta Act, a rather unfortunate case arose in the province of Alberta in December of last year, where when the debtor died and the execution was levied against the property of the deceased. The Exemptions Act no longer gave the widow the protection, although if the claim had been made after his death, the estate would have had the protection. This is an amendment which is designed to cover up that technical defect in the Act, and it is therefore proposed to make it retroactive to the first day of December, 1957. This will not change any decided cases in this province, but it will give protection in this province to an people who might lose their protection as a result of that decision given in Alberta on December 1st. There is no desire to allow someone to take advantage of the technicality simply because of the result of that Alberta case, and with those words, Mr. Speaker, I move second reading of the Bill.

The question being put, it was agreed to.

SECOND READING

Bill No. 56 — An Act to amend The Power Corporation Act

Hon. Russell Brown (Min. Saskatchewan Power Corporation): — Mr. Speaker, this Bill only provides one very short amendment to The Power Corporation Act. It is designed to provide an increase in the borrowing authority of the Corporation, and that is necessary, of course, in view of the fact that the Provincial Treasurer (Hon. Mr. Fines) just mentioned that it will be necessary to borrow some \$57 million for the Corporation this year. There may be some questions in connection with the present position of past borrowings, but I think those can be well dealt with in committee, and I would therefore move second reading of this Bill.

The question being put, it was agreed to.

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