

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

Friday, February 26, 1960

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

NEWSPAPER CORRECTIONS

Hon. J.H. Brockelbank (Minister of Minister Resources): — Mr. Speaker, the Speech I made on Wednesday in this House was reported in both the "Leader-Post" and the Saskatoon "Star-Phoenix" and I would just like to make a couple of little corrections in the report. One part of the story says the prophets of doom had seized on the story that the Potash Company of America had moved out of their Saskatoon office and made it appear that the Company was moving out of the province. That part of the report is identical in each paper, but it is not what I said. I said "One potash company closed its Saskatoon office". From the stories in the press and on the radio people thought that the Potash Company of America was leaving their 20 million dollar investment. As far as I know, potash Company of America didn't move out of their office at all.

The next one in regard to Imperial Oil staff leaving the province, and the Opposition had said: "Hundreds of Imperial Oil staff were leaving the province, but there were only sixty going from Regina to Edmonton due to the Company centralizing the accounting system". What I said, Mr. Speaker, was that there were about sixty employees in the Accounting Branch of the Imperial Oil here and about twenty or more of these were married women living in Regina and there would probably be about forty moving out of Regina on this account. That mistake is exactly the same in the Saskatoon "Star-Phoenix" as the "Leader-Post". Then in the "Leader-Post" quoting what I said about my constituency, it reads: "He said his north-west area would be interested in trying out the crop insurance plan outlined in the Throne Speech. The farming expenses were high in the north-west". We'll have to get some of us a compass, because that's the north-east.

WELCOME TO STUDENTS

Mr. Peter A. Howe (Kelvington): — Mr. Speaker, I would like to draw to the attention of the House a very fine group of young students in the gallery opposite. There are thirty-seven of them in number and there are three teachers accompanying them to the city, they are: Mrs. Allen, Mr. Abraham, and Mr. James. I should say that Mr. James is here celebrating his Fiftieth Anniversary in the teaching profession and thirty-seven of those years have been given to education in our province — a very fine contribution by you, Mr. James. I wonder if you would mind standing up and letting the people see you.

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I am sure that all Members of the House will join with me in welcoming you to the very fine city of Regina and to the Legislature while we are here in session, and I hope that you may have some fine memories after you get home from this trip.

Mr. W.I. Wood (Swift Current): — Mr. Speaker, may I have the same privilege as the hon. Member for Kelvington?

Mr. Speaker, I would like to draw your attention to a very fine group of people in the top seats of the Gallery to your right. These are from the Elmwood Public School in Swift Current, Grade VIII, with Mr. Ken Aberdeen, the Principal, and Mrs. Lee, the School Nurse, and they have enjoyed their tour of the Legislative Building. With your permission, Mr. Speaker, I would like, on behalf of the Members this afternoon to extend to them our welcome to the Chamber, and trust that they will also enjoy their short stay with us and possibly it might be of some profit to them.

BUDGET ADDRESS

Hon. C.M. Fines (Provincial Treasurer): — Mr. Speaker: once again it is my honour and privilege to rise with the traditional Motion of Supply. In so doing, I am reminded that this is the 16th consecutive occasions for me to present a budget to this House. Not only is this a record for successive budget addresses in our own province, but so far as I am aware, has in fact been surpassed in only one other instance in the history of responsible government in Canada. If there is any distinction in a record of this kind, I am the first to acknowledge that it must be attributed to the kindly patience of the people of Saskatchewan and its capital city. I do like to think, however, that it also reflects their unfailing good sense and sound judgement — qualities which, I am sure, will continue to manifest themselves in any political events that may lie ahead.

In beginning today with the budget review of economic conditions, let me refer briefly to the main developments of 1959. The recovery of the national economy from the recession of 1957-58 saw the gross national product reach a new peak of more than \$34.7 billion, a gain of 7 per cent for the year. Major factors in the recovery have again been strong consumer spending and a further spurt in capital investment. The inflow of capital from other countries accelerated during the year and was instrumental in offsetting a doubled trade deficit of close to \$600 million. In turn the value of the Canadian dollar maintained a premium of about 5 per cent over the American dollar.

Within Canada, production, trade, transportation and employment all made gains during 1959. The index measuring the volume of industrial production rose to new heights. More persons were employed than ever before. With labour income rising as the result of improved productivity, personal consumption as measured by retail sales moved to a record figure. Government expenditures at all levels similarly continued at new peaks.

On the other hand the recovery has been marked by considerable stress and imbalance. Particular industries and certain regions of the country continued to languish under relatively depressed conditions. Canadian agriculture as a whole, for example, again failed to show any gains. Despite the fact that the index of farm production for Canada increased about 5 per cent over 1958, final statistics are expected to show a decline in farm net income in 1959 because of the continued rise in operating costs.

Price increases and the problem of inflation, which I discussed at some length a year ago, remained in the forefront of public attention. The severe restraints on credit imposed by the monetary authorities and the resultant comparative scarcity of money in the face of the expansion have culminated in interest rates soaring to record highs. It is clear that the federal government's indiscriminate use of tight money, as a means of combating the ill-effects of its own recent inflationary actions, is now forcing municipalities, school boards, hospital districts and others to pay

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interest rates of more than 7 per cent. It has thus stifled investment in needed social projects and aggravated the difficulties of industries and regions bypassed by the economic recovery. Indeed there is growing concern that more of the same blundering in monetary and fiscal policy may well obstruct a continued and broadly-based economic growth across the nation.

The fundamental problem is that the so-called free play of the market has proved itself unable to allocate resources and income in a manner which will meet the tests of economic efficiency or social justice. I repeat again, in my view these are objectives that can only be achieved by recognizing that governments increasingly have an urgent and legitimate role in directing the economic affairs and advancing the social well-being of the nation.

On the national scene, therefore, the main question for 1960 appears to be whether the current checkered expansion will continue, or whether the familiar pattern of recurring business cycles will bring about a new downturn by the end of the year. Some of the more optimistic forecasts point to another big jump in the gross national product — perhaps a further 7 per cent increase in 1960. However, there are more cautious forecasters who predict a damping down in the rate of advance because of the stresses I have already noted. While Canada's external trade is at a high level, it is significant that recent gains in exports have resulted almost entirely from increases in sales to the U.S. Canada is hampered by this imbalance in its trading pattern and must obviously meet the new conditions of the world market brought about by the organization of trading blocs such as the European Common Market and the "Outer Seven". Then, too, there is little to warrant optimism regarding the immediate prospect for agriculture. A further squeeze between prices and costs indicates little or no improvement for farm net income across the country in 1960.

Thus, while the recovery should continue for some time, there are obvious vital problem areas. These are difficulties urgently calling for statesmanship, rather than political gamesmanship, at the federal level. If I am not mistaken, Ottawa will have to rise to this clear challenge by the end of the year.

Turning now to our own province, it is clear that 1959 marked another year of steady growth. Perhaps the most significant aspect of the year has been the abundant evidence of a rapidly-gathering momentum in the expansion of our manufacturing industries. In 1959 the gross value of manufacturing is estimated to have reached \$341 million. This was a jump of almost 7 per cent, more than double the composite rate for all the commodity producing industries. Despite the increasing advance of automation, employment opportunities in manufacturing have never been better.

The gross value of mineral production in the province climbed to a record-breaking level of \$214 million in 1959, despite declines in well-head prices for oil and difficulties in the initial phases of potash production. Other resource industries such as forestry, fishing, and

trapping continued on a fairly stable basis. Electric power consumption maintained the rapid annual growth witnessed for the past seven years. The construction industry worked at capacity and it now appears that actual capital expenditures on new construction and equipment in 1959 substantially exceeded the "intentions" forecast by matching the record level of \$486 million achieved in 1956.

On the other hand, agriculture continued to experience severe problems both on the production and income side. After the threat of a near drought was broken, the early fall snows dealt the province a crippling blow, and it is still possible that 1959 will go on record as one of the worst harvest seasons in our history. At last count, close to 50 million bushels of grain were still lying under the snow.

Although the total value of agricultural output in 1959 remained steady, farm cash receipts declined about 6 per cent — from \$606 million in 1958 to \$578 million in 1959. It is a matter of vital concern to everyone of us that the federal government has still not taken any action to provide a measure of urgently needed assistance to our grain producers. Saskatchewan farmers still have had no response to their request for deficiency payments on grain deliveries. This is in spite of the fact that cash income from grain deliveries for the province will be lower than a year ago by some \$20 million, while farm costs of production have continued to rise. Paradoxically, the federal government has seized on a so-called deficiency payment plan for eggs and hogs which in recent weeks has had the effect of seriously depressing market prices to producers. With our farmers being unable to benefit from their increase in efficiency, we need make no apology whatever, especially in this House, for continuing to urge upon Ottawa a full and proper recognition of the economic rights and social needs of prairie agriculture.

Despite the adverse farm income situation, the results of industrial progress in Saskatchewan were well demonstrated by a sustained high level of consumer spending. Retail sales advanced close to \$950 million — an increase of 5 per cent over the previous year. Saskatchewan also recorded a gain of 14,000 in population. By the year-end our total count was some 906,000, up by 73,000 since the census of 1946, compared with a drop of 99,000 in the ten years prior to 1946.

Now what of our prospects for 1960?

The farm economy will be more than usually dependent upon the out-turn of the current crop owing to the substantial depletion of carry-over stocks of grain on the farms. For the moment at least there is reason to look forward to a better year on the basis of improved sub-soil moisture conditions. Further we should be able to anticipate an easier delivery situation in the fall than has been true for years. Livestock income, however, may contract owing to a marked decline in hog production and some general weakening in cattle prices. Farm cash income in 1960 may therefore show a moderate fall, even though higher possible output may bolster the net income picture.

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As for the non-farm sector, it may be difficult to hold capital expenditures at the record levels of 1959. However, sufficient strength exists in most sectors to assure that investment and construction during the year ahead will continue buoyant. Moreover it is expected that the value of manufacturing in 1960 may reach as high as \$370 million. The gross value of mineral production is forecast at about \$227 million, up by 6 per cent. While no definite plans have been announced as yet, there are grounds for optimism regarding the prospects for an iron ore development program which would add a major new factor in our long-range industrial potential.

In summary, the total level of personal income, which in many ways reflects overall economic activity, rose to \$1,174 million in 1959. This was a gain of 6 per cent over the previous year. Assessing the potential gains in commodity production and a higher level of both services rendered and transfer payments, I believe we can look forward to another year of growth in 1960 of the order of 5-6 per cent.

The budget for the next fiscal year is based, of course, upon an analysis of the immediate outlook. At the same time, sound planning requires us to keep constantly in mind a longer-range appraisal of the provincial economy, its prospects and its needs. In this connection, I am pleased that the recently published economic study by the Stanford Research Institute and Economic Research Corporation has substantially confirmed some of my own forecasts as to the probably course and level of development in Saskatchewan over the next two decades.

We shall, of course, have our ups and downs from year to year. Nevertheless, as we broaden and extend our development policies further, we can confidently forecast an acceleration in the rate of industrial advance. There are inherent forces in development which, when once released, take on the aspects of a chain reaction. This has been abundantly clear in our experience and several cases in our manufacturing industries could be cited. Projecting a possible level of production to be achieved then, say by 1980, there is every prospect that the gross value of commodity output will approximately double in total. Mining and manufacturing will undoubtedly feature this expansion but there will be parallel growth in construction, electric power and all the service industries including trade, transportation and government. Today the non-agricultural industries account for 66 per cent of the province's total commodity output. By 1980 they may account for 80 per cent.

This expansion points to rapidly broadening employment opportunities and a growth of population ranging up to 1,300,000-1,500,000. There will be a continued relative growth in the urban sector and a fast-growing consumer market. Improved technology and a high level of capital investment will advance productivity, resulting in higher per capita income.

Despite the current difficulties in agriculture, the long-range

prospects for our farms should not be minimized. In the not-too-distant future the increasing pressure of the world's population explosion upon available food resources, and the slow drift of mankind to more human international relations, will certainly provide a renewed demand for the product of Saskatchewan agriculture. Indeed I have said before, and I repeat again, in this Government's view, our province's most important and basic resource is still the fertile land and the rural economy based upon it.

I now come, Mr. Speaker, to the Province's finances. The Public Accounts for 1958-59, which were tabled at the beginning of the Session, reveal a budgetary surplus of \$3,166,451. This surplus, combined with sinking fund earnings of approximately \$897,000, served to reduce the Province's net debt by just over \$4 million. At March 31st last, the net debt was under \$21 million.

Revenues last year rose from \$132.8 million to \$135.3 million, with modest gains being registered in returns from the Education and Hospitalization Tax and the Gasoline Tax, and from liquor profits. Last year's problems in the marketing of oil caused petroleum and natural gas revenues to decline by \$3 million, and the general Canadian recession led to a reduction on \$467,000 in Federal-Provincial tax-sharing payments.

Expenditures totalled \$132.2 million in 1958-59, up sharply from the \$119.6 million spent the previous year. The principal increase was in the Department of Education, where spending rose by \$3.6 million. Expenditures on highways and grid roads increased by nearly \$2 million, on natural resources by \$1.7 million, on public works by \$2.2 million, and on agriculture by more than \$3/4 million.

The financial picture for the current year reflects the improved state of the Canadian economy and at the same time the peculiar problems being faced by the Saskatchewan economy. Revenues from the Education and Hospitalization Tax, the Gasoline Tax, and liquor profits are all expected to be higher than estimated, while petroleum and natural gas revenues are expected to fall below the estimates. Tax-sharing payments from the Federal Government will be up sharply as a result of higher personal income and corporate profits across the nation.

On the expenditure side substantial increases in appropriations must be obtained. The largest is \$3 million for making the acreage payments to farmers who had more than half of their crop under the snow at December 15th last. To date some 18,000 farmers have already received payments under this program, involving some 3,000,000 acres. The average payment per farmer is expected to be about \$300. I should like to acknowledge our appreciation to the municipalities for their assistance in administering this special farm aid.

In addition to this over-expenditure, extra funds are required for the emergency winter employment programs undertaken to relieve unemployment and assist those with low farm incomes.

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Finally, additional funds are required for an expanded grid road program, and to meet a shortage of funds in the Hospital Plan caused by increased costs, and a too optimistic estimate of receipts from the Federal Government for the Plan.

I anticipate that by year-end expenditures will have risen at least as much as revenues, but that there will be a small surplus. Consequently we will maintain intact an unblemished record of sixteen consecutive annual surpluses.

The most significant indicator of the province's financial position is the net debt and I am sure all Members will be glad to know that by January 31st last, this burden had been reduced to \$18,500,000, or only \$21 per capita. In contrast the financial statements show that on April 30th, 1945, some fifteen years ago, the net debt burden on the Province amounted to the staggering sum of \$155 1/4 million, or \$186.00 per capita. This decline in debt has been paralleled by a drastic slash in the amount required for annual interest charges. In 1945-46, the Provincial Treasury had to pay \$4.3 million in interest costs; this year it will pay out \$1.7 million, and next year under \$1.2 million.

To older members of the Assembly who prefer to think in terms of the former net debt statement, let me say this: the net debt of the Province was reduced by \$5 million between March 31st and December 31st of 1959, and now stands at \$34.4 million. This compares with \$157.3 million on April 30, 1944.

It is a particular pleasure to report that all debenture issues maturing in the current year have been paid in full without the necessity of refunding. Ten years ago this looked like an impossible task. Facing us in the fiscal year 1959-60, was the record sum of \$15,950,000 in debt to be repaid. No sinking funds had been provided for any part of it — and over \$12,500,000 was payable in either Canadian or U.S. dollars at the option of the holder.

The failure to provide sinking funds was very common prior to 1944. At that time, out of 52 issues outstanding there were only 13 sinking funds. And what inadequate sinking funds! They were either only 1 per cent of 1/2 of 1 per cent per annum — an amount that would only provide for a small part of the maturity.

In 1946 we adopted the policy of providing a 2 per cent sinking fund on all new bond issues. In 1949 this amount was increased to 3 per cent on all subsequent issues. This latter rate makes provision for paying some 75 to 80 per cent of the twenty year, and 100 per cent of the twenty-five year bonds when they come due. As long as this policy is maintained no Provincial Treasurer need face any serious refunding problems in future years.

In 1953 we began to levy a full 3 per cent sinking fund on all

the outstanding bonded debt of the Province. By doing so, and by providing in the estimates for certain sums for debt retirement, we have been able to pay all our indebtedness in recent years as it matured — without the necessity of refunding.

This policy, and the policy followed now for some time, of financing all highway construction and public buildings on a pay-as-you-go basis, has resulted in the sharp reduction to our net debt. This, in turn, as I have already noted, has made possible a sharp cut in the amounts required for sinking fund payments and for interest charges. Next year these will total only \$2.2 million compared with \$5.2 million five years ago — further convincing financial proof of the advantages to be gained by reducing the net debt.

The current year will long be remembered as a period of extremely tight money and high interest rates. A year ago I pointed out that prospects for provincial borrowing were not favourable. Fortunately, we had arranged much of our capital requirements well ahead of time. You will recall we borrowed \$30,000,000 of this amount at the time of my last budget address. During the current year we have sold the bonds indicated in the following table.

Date	Maturity	Coupon	Payable	Amount
Sept. 15, 1959	Sept. 15, 1984	5%	U.S.A.	\$15,000,000
Oct. 1, 1959	Oct. 1, 1979	6%	Canada	\$ 7,500,000
Jan. 2, 1960	Jan. 2, 1966	6%	Canada	\$10,000,000

The proceeds from these three issues, combined with earlier borrowing which I reviewed a year ago, have been sufficient to finance the program of the Power Corporation and Government Telephones, and to provide some \$15,000,000 for the next fiscal year.

Honourable Members may notice that I have followed the practice of borrowing in advance of the cash requirements of the two corporations. There is a reason for this policy: when the economy is buoyant interest rates tend to rise, with the consequence that early borrowing will usually result in lower rates being paid. Furthermore, the proceeds from such debenture issues can be invested, until required, in short-term securities which have very high yields — sometimes as high or higher than the cost of the money borrowed. The result is that the Province has been able to meet its capital requirements at somewhat lower rates, and with less difficulty than might have been anticipated during a "tight-money" period.

I want now, Mr. Speaker, to say a word about the significance of the province's investment in our power, gas and telephone utilities. I do so for two reasons. First, there has been the surprising comment that this investment, financed largely through borrowed capital, is an example of what the Governor of the Bank of Canada has recently called "living beyond our means" and is therefore inflationary in its impact. Second, there has been a concerted attempt to assert that this investment, which necessarily

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involves a rapid increase in the gross debt, is somehow endangering the financial soundness of the province and imposing heavy debt charges upon the taxpayers.

The first of these criticisms is based upon a woeful misunderstanding of the process of development at work in Saskatchewan, over the past fifteen years. The second is nothing more than a sinister, unprincipled effort to mislead the people of the Province for purely political motives.

Since 1944, the Province has borrowed and invested a total of \$344 million in the power, gas and telephone utilities. By far the great bulk of this capital has been urgently required for the expansion of productive facilities because consumer demands have soared upwards in this Province once the forces of development were released. Abundant supplies of low-cost energy and fuel, and efficient, cost-saving communication, have proven to be essential factors in the economic progress and advances in industrial production thus far achieved. Not only is this true of the non-farm industries, but it applies to agriculture as well. Farm power has meant not just an improved standard of living on the farm; it has meant cost-savings in production and consumption, and an advance in overall farm productivity. Gas has been important as a productive industrial fuel; it has also meant substantial savings in expenditure by commercial and household users.

All types of consumers, whether industrial, commercial or domestic, whether urban or rural, have been more than willing to pay their way — to pay out of their current income both the immediate cost of the service provided and the cost of the capital consumed in providing it. This has been assured by organizing these utilities on a proper corporate basis, by subjecting them to the pay-as-you-go discipline of an annual profit and loss statement, by providing for full depreciation of capital, and by establishing adequate sinking funds for debt retirement.

None of this can possibly be described as inflationary — except by those who typically confuse inflation and growth. Neither does it impose any burden on the finances of the province, as the financial statements, the reduction in net debt, the steady decline in net interest payments required in the budget, all conclusively prove. On the contrary, the factor in rescuing the Province from the bankrupt days of sixteen years ago, when our credit was so shot we couldn't borrow a plugged nickel on the open market, up to the present day when our word and bond is easily worth \$50 and \$60 million a year. I expect, indeed I look forward to, a continued rapid increase in the gross debt as we go on to expand these basic utilities to meet the demands of the future. I shall be disappointed if our capital investment in power, gas and telephones has not advanced by a further \$500 million by 1970. If it has not it will be a sure and certain sign that we have indeed sunk once more into the stagnancy that plagued this Province for so many years before 1944.

The borrowing for our utilities of some \$175 million in the last three years is an accomplishment which would have seemed impossible five years ago. It could not have been done in Canada alone. We, in common with other provinces, have borrowed large amounts in the United States, simply because there was not enough capital available in Canada to meet the needs of our expanding economy. The situation has been made even worse as the result of the huge loans of the federal government. Some believe we are assuming a risk in borrowing, in the United States, because of the exchange fluctuations. Certainly, there is some risk involved. However, we have minimized it in two ways. First, we have made an annual saving of one-half of one percent in interest rates, after allowing for any discount on the proceeds of the loans. This means a saving of from ten to fifteen per cent during the life of the bonds. Secondly, we have established a three per cent sinking fund on each loan. By investing this amount each year in the issue sold, about eighty per cent of the bonds are in the sinking fund at maturity. Our experience to date has been most satisfactory.

RECORD EARNINGS FOR CROWN CORPORATIONS

It will be appropriate now, to turn to a brief review of the Province's publicly-owned business enterprises. Although the number of companies was reduced by the re-organization of the Fish Marketing Service and Government Trading in the far north into locally-owned co-operatives, the total business volume rose to over \$79 million, a gain of 12 per cent. Income earned by employees increased to \$23 million, and the total number of workers at the end of the year stood at 5,800. Municipalities received a total of \$759,500 in grants in lieu of taxes, a gain of 17 per cent; and the public treasury received over \$490,000 by way of royalty revenues paid directly by the companies.

I have already mentioned that continued growth or demand upon the electric and natural gas services of the Power Corporation again necessitated a high level of capital expansion. Total assets have now reached the huge sum of \$324 million. Similar expansion took place in Government Telephones, with an increase in assets to \$95 million. Gross revenues earned by these two major utilities, before allowances for interest deductions totalled \$16.7 million, while net revenues amounted to \$4.6 million.

It is a pleasure, Mr. Speaker, to report that the group of smaller companies reporting to the Government Finance Office — those popularly known as "the C.C.F. corporations" — enjoyed the most profitable year on record. Even after taking into account an operating loss suffered by Government Airways, aggregate profits totalled \$1,418,764. This is the highest figure achieved since operations first began. The profit figure represents a return of 16.6 per cent on advances of \$8,528,000 outstanding at fiscal year end. The previous record figure was a profit of \$1,366,284 achieved in 1954-55. The amount to be paid into the Treasury in 1960, and included in our budgetary revenues, will again be \$1,000,000 — an extremely gratifying dividend rate of 11.6 per cent return on our investment.

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During the year, moreover, the Finance Office undertook to pay from its retained surpluses an amount of \$1,453,169 to the Provincial Treasury. This was a reimbursement of all sums advanced previously by the Treasury to cover total operating and capital losses incurred by those companies which have been wound up or reorganized over the years. The net effect of this reimbursement is that the public treasury has not put out a single penny to cover losses by any of the Crown corporations. On the contrary, since their formation the "C.C.F. corporations" have earned a net total of \$10,786,761, and have made dividend payments to finance government expenditures amounting to \$8,643,738.

While the financial record is an important measure of the success of the Crown corporations, it is by no means the only one. No less vital has been the level of services provided — power, for example, taken to tens of thousands of farms scattered across the face of Saskatchewan, and a higher number proportionately of small urban centres serviced with natural gas than in any other province. This has been possible only because of deliberate government planning under public ownership. Again, there are profits, yes — but they are overshadowed by the tremendous savings accruing to the people of the Province. Natural gas is a vivid example. So, too, is insurance! The services of the Government Insurance Office have meant fire insurance rates 42 per cent lower in Saskatchewan than our neighbouring provinces. This amounts to an annual saving of at least \$6,000,000 in the premiums paid by our citizens. Auto insurance has meant similar savings conservatively estimated at no less than \$6,500,000 each year. I have already mentioned the important production, employment and income effects stemming directly from the corporation activities — 5,800 employees earning \$23 million in wages and salaries. A large part of this would never have developed within Saskatchewan except under public enterprise. The head office of the Insurance company alone, for example, has provided primary employment for 400 people — sufficient to maintain through families and derived employment a population of some 1,400 to 1,500 people. These are the plain, unvarnished facts, Mr. Speaker, that no smokescreen of bluster or bombast can conceal.

**SUMMARY OF RESULTS OF OPERATIONS OF CROWN CORPORATIONS
FOR FINANCIAL YEARS ENDING IN 1959**

	Advances at Year-end	Surplus or Deficit for Year
Saskatchewan Government Airways	\$675,000	\$56,658
Saskatchewan Timber Board	3,797,000	427,188
Saskatchewan Fur Marketing	100,000	5,280
Saskatchewan Government Insurance Office	—	508,723
Saskatchewan Guarantee and Fidelity Company Limited	365,688	81,592
Saskatchewan Clay Products	600,000	74,471
Saskatchewan Sodium Sulphate	1,085,000	227,248
Saskatchewan Government Printing	275,000	42,826
Saskatchewan Transportation Company	1,600,000	108,094
	<u>\$8,497,688</u>	<u>\$1,418,764</u>
Saskatchewan Power Corporation	\$242,460,542	\$12,142,279
Saskatchewan Government Telephones	\$73,688,229	\$4,542,909

*Deficit

BALANCED BUDGET IN 1960-61

I come now to the presentation of the 1960-61 budget. It is, first, a very large and ambitious budget, representing as it does both the culmination of the efforts of this Government since 1944 and the setting of the state for a new decade of vigorous activity and responsible public leadership. It is, second, a budget balanced for the sixteenth consecutive time. Finally, it is a budget which involves no new taxes and no increases in existing taxes.

Budgetary revenues are estimated at \$148,890,700, and budgetary expenditures at \$148,605,120, thus leaving a nominal surplus of \$285,580. Increases in income are expected from nearly all sources: from the tax sharing payments, from the Education and Hospitalization Tax, from the Gasoline Tax, from liquor profits, and from mineral and natural resources. The only decline expected is in revenues from the sale of oil leases. There is a wide variety in the programs which will be expanded or introduced as a consequence of the increase in revenue, but the principal emphasis will be on agriculture and education.

As I prepared this budget, Mr. Speaker, I found myself comparing not with last year's budget, but with that of 1945-46 — my first. What changes there have been! Revenues, for example, are up by more than 3 1/2 times — from \$39.5 million to \$148 million. In 1945-46, the year before — we removed the Education Tax of 2 per cent from all foodstuffs and meals, the yield of the tax was just over 5 1/2 million; next year the Education and Hospitalization Tax at 3 per cent but with many additional exemptions, is expected to yield \$22 1/2 million. The Gasoline Tax of fifteen years ago yielded \$4.4 million; next year we expect it to yield six times as much — \$21.6 million. Liquor profits will have doubled — from \$6.6 million to \$13.5 million. Motor vehicle license revenue will have quadrupled from \$1.9 million to \$7.7 million.

Special mention must be made of the revenues from Federal-Provincial tax sharing arrangements. In response to a five-fold increase in provincial expenditures and in recognition of the need for greater equalization of revenues between provinces, Saskatchewan will receive next year six times as much revenue from this source as it received in 1945-46, or \$42.1 million.

By far the most spectacular rise in revenue has been from mineral sources. Fifteen years ago the Province's total receipts were just under \$900,000. Next year they are expected to be more than 20 times this figure — nearly \$20 million.

The explanations for the changes in revenues and in the Province's financial position are not difficult to find. Some part of the rise is due to an inflation of prices. Some part is due to tax changes. But the most significant explanation is to be found in a change I have already reviewed, the expansion and diversification of the Saskatchewan economy.

*1945-46 Public Accounts figures have been adjusted to make them comparable with the 1960-61 Estimates. This was made necessary by extensive accounting changes in 1957.

GOALS OF THE BUDGET

The growth in the economy has a direct relationship to the goals of the budget, Mr. Speaker. First, the budget has as one objective the development of industry and resources in the Province, and frequently substantial public expenditures are necessary to open the way for such. The budget proposes continuing improvements in education, health, and welfare services; and both the need for these services and the means to provide them grow as the economy grows.

These two objectives have been the constant goals of all of my budgets. In 1945 I said:

"Thus I see my task, as Provincial Treasurer, as a twofold one. It is my duty to so administer 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."

In 1952 I emphasized these same pivotal considerations:

"First, the security and enhancement of the personal welfare and dignity of our people; second, the maximum long-term development of all our productive resources."

I believe that this budget, like all my earlier budgets, leads us to a greater fulfilment of these two goals. It does so on the basis of the expanded revenues resulting from development, yet at a rate and level within the bounds of prudent and reasonable financial management.

ECONOMIC DEVELOPMENT

The Government proposes to spend, in 1960-61, approximately \$16.1 million for the development of our resources and industries. Over \$6.9 million will be spent directly on behalf of, or as an investment in, the agricultural industry. This is an increase of \$1.6 million over the amount budgeted for the current year. It is, moreover, nearly ten times the total spent on agriculture in my first budget — \$708,758. We propose to provide \$7.8 million for the development of mineral and natural resources. This compares with \$6.3 million in the current year, and with \$1.1 million in 1945-46. The Saskatchewan Research Council will receive a grant of \$1/2 million; in 1945 there was no Research Council. The Industrial Development Office will have an appropriation of nearly 180,000; in 1945 there was no Industrial Development Office.

This whole program for economic growth is so vastly different from that of fifteen years ago that comparisons can scarcely be made. But this time, Mr. Speaker, we have seen the development of an agricultural conservation and development program, of greatly expanded agricultural field services, both specialized and of an agricultural

machinery testing program, and of a farm credit plan. During this time we have seen the growth of a program to stimulate and assist a whole new petroleum industry, the introduction of airborne and ground geological surveys, the establishment of a forest inventory and forest management plan, and the development of a province-wide resources conservation staff.

This budget provides for a further milestone in these policies, the creation of a Department of Industry and Information. This action is in line with the recommendation of the Stanford Research Institute in their recently completed report on "Resources and Industrial Opportunities in Saskatchewan". Into the new department will be brought, for further expansion and integration, the industry assistance programs of the Industrial Development Office, the trade and marketing studies so essential to our export industries, the transportation studies that assist both in the establishment of industry and in the development of exports, and the tourist promotion program which is playing an increasing role in trade and commerce in Saskatchewan. Alongside these activities there will be an Information Office to assist them in their development work and to continue the important public information activity previously carried on by the former Department of Travel and Information.

The new department will take its place beside the three other large departments devoted to economic development — The Department of Agriculture and the Department of Mineral and Natural Resources — and will undoubtedly serve as the symbol of further decades of growth.

New developments in the Department of Mineral and Natural Resources include the establishment of additional geological survey parties further the exploration of the mineral wealth of the pre-Cambrian North, and a rise in expenditure on northern and forest access roads to the level of some \$2.8 million. Again this year a large number of smaller improvements in programs may tend to go unnoticed, such as an appropriation for research on productivity in the fishing industry, additional geologists for the evaluation of data on petroleum-bearing lands, and so on.

The contributions to the economy of the Power Corporation and Government Telephones will be increased. The Government will advance \$49.6 million to the Power Corporation. This capital will go toward the extension of natural gas to several major towns and other urban centres adjacent to the pipeline routes, toward the construction of the hydroelectric installation at Squaw Rapids on the Saskatchewan River, the continual improvement of major transmission facilities, and further extension of distribution lines for towns, villages and farms. Government Telephones will receive advances of \$8 million for the connection of new telephones, the installation of new exchanges, and for improvements to the long distance system.

EXPENDITURES FOR AGRICULTURE

Several major innovations have been made in the program of the Department of Agriculture, and several more will be made next year, including some which I will review in a few moments. At this point I would like

to refer particularly to three developments. First, the Family Farm Credit program has been launched successfully by the Co-operative Trust Company. It has already been reported in this legislature that already 112 loans have been approved by the Company, involving \$1,246,000. The province is guaranteeing all securities issued by the Trust Company for this purpose, and is buying 50 per cent of them for its trust and pension funds.

Second, in addition to its continuing programs of pasture development, small water projects and clearance of new northern lands, the Department of Agriculture has embarked upon the planning of the enormous irrigation works to be associated with the South Saskatchewan River Development project. In 1960-61 over \$520,000 will be spent for this purpose, along with Saskatchewan's cash contribution of \$500,000 for the construction work on the dam itself.

Third, the Province will extend still further assistance to agriculture by embarking upon a crop insurance program. Neither my colleagues nor I entertain any illusions about Saskatchewan's ability to finance or underwrite an effective comprehensive crop insurance program. This is, and has always been recognized as properly falling within the area of responsibility of the national government, in the same manner as unemployment insurance. Ottawa acknowledged this years ago with the passage of the Prairie Farm Assistance Act. In fact, it has always been Saskatchewan's expectation that P.F.A.A. would ultimately be developed into a full-fledged federal crop insurance program. Instead, in a mockery of spirit of its election pledges, and without the slightest consultation with the provinces or farm groups across the country, the present federal administration has instituted a plan requiring the provinces to underwrite, on their own, almost complete financial liability for crop insurance. This, no province can possibly do, and the provincial program can therefore proceed on only a very limited basis.

The extent of our program will depend primarily upon the response of the farmers themselves, and it is difficult at this stage to forecast the level of probable budgetary requirements. A gross amount of \$460,000 is provided, and it is expected that an agreement can be negotiated with Ottawa for the contributions provided for under the federal legislation enacted last summer.

ROADS AND PUBLIC WORKS

Let me refer briefly, Mr. Speaker, to next year's highway and municipal road program. In 1960-61 expenditures by the Department of Highways will exceed \$25.5 million. This is nearly seven times the \$3.9 million provided in my first budget — and thirteen times as much as the amount spent by the Liberal administration in its last year in office!

The Municipal Road Assistance Authority will require next year \$7.1 million for the market road grid, for municipal bridges and ferries, and for equalization grants for municipal roads. Fifteen years ago no such provincial assistance was available.

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The capital building program of the Department of Public Works next year is estimated at \$5,294,000, inclusive of a federal reimbursement of \$972,000. The two largest projects contemplated will be complete construction of the Technical Institute at Moose Jaw and the Court House in Regina. Each of these buildings will require \$1 million. The balance of the expenditure proposed will be required for a large number of smaller projects in a number of locations throughout the province. I shall mention the most important of these in considering the program objectives they are intended to serve.

EDUCATION AND HEALTH AND WELFARE

I should like to turn now from our economic development policies to our education, health and welfare programs. I sometimes think that it is misleading to talk first of economic growth and then of human welfare, for obviously economic growth is meaningful only if it has as its goal "humanity first". I still hold to what I said fifteen years ago, that budget must not be merely a "monetary budget". It must be a "human budget".

Let me point to the progress that has been made during this time. Mothers' allowances average \$73.86 per month today, compared to \$25.30 per month fifteen years ago. A total expenditure of \$1,982,000 is requested in 1960-61. Old Age Assistance payments next year will total a net amount of \$1,869,000; in 1945 there was no such program. Net social aid payments provided by the Province next year are estimated at \$1,945,000, three and a half times as great as in 1945. Supplemental allowances for eligible Old Age Security recipients and medical service costs for public assistance cases will amount to \$2,826,000 compared to \$890,000 in 1945, the year when these programs were introduced by the present Government for the first time, anywhere in Canada.

Today all of us are covered by hospital insurance, and we can scarcely remember the days when a large hospital bill would cripple us financially for years to come. Entirely new programs in mental health, cancer treatment, in rehabilitation and physical restoration, and in care of the aged have been established. A complete range of public health services is available in the health regions that have been established. Medical college and university hospital are now training doctors and nurses for the Province. In dollar terms the Province will next year provide over \$28 million on health care, compared with \$3.7 million in my first budget. We will spend \$13.3 million on social welfare, compared with \$3.3 million in 1945.

Progress in education has been even more spectacular, Mr. Speaker. School units cover almost the whole of the Province now, in place of the small, outdated school districts of former years. Students are able to look forward to a broader curriculum, better trained teachers, and conveyance to modern secondary and composite schools formerly beyond their reach. The average teacher's salary has risen from \$1,424 to \$3,970.

To stimulate training beyond the secondary level, a Provincial Technical Institute has been established. The University of Saskatchewan has more than doubled its enrolment since 1944, with corresponding increases in faculty and buildings. Indeed it is planning now for the perpetual establishment of Regina College as a second campus.

To put this all into dollars is interesting. In 1945-46 the Province spent \$5.4 million on education; in 1960-61 we shall spend \$37.8 — seven times as much.

Last year the Government increased school grants by \$4 million. I am happy to announce that in 1960-61 we propose to increase this expenditure by still another \$4.5 million. This will bring school grants to \$28.5 million — eight times greater than the grants of fifteen years ago. Every member in this Assembly will welcome this increase. It brings a double advantage. It makes possible still further improvements in our school system. At the same time, it will help to maintain the stability in the school mill rate which has been achieved over a large part of the Province in the last few years.

Other notable increases are to be found in the Education budget. Saskatchewan Technical Institute will operate for a full year, with a budget of \$434,000. The University will receive a grant of \$3.2 million for operating purposes — an increase of \$500,000 — and it will receive a \$1.5 million grant for capital construction in place of sums formerly included in the appropriation for the Public Works Department. In addition to the broad scholarship plan established one year ago, a new scheme is being introduced to assist high school teachers in obtaining further university training. The Government also proposes to contribute a group life insurance plan for teachers.

Several changes are being made in the Social Welfare budget, too, Mr. Speaker. There is provision of \$500,000 to begin construction of a one hundred bed geriatric centre in Swift Current, to meet the needs of aged and chronically ill in the southwest region of the Province. It is proposed to increase the operating grants which the Province pays to the increasing number of non-profit nursing homes and hostels for the aged, from \$40 per bed to \$60. The boarding home rates paid to those kind people who care for foster children are also being increased.

Two major changes in the health program for 1960-61 should be pointed out. The first is an appropriation of \$500,000 to start construction of Saskatchewan's first community mental hospital, which will be located in Yorkton. We have been anxious for some time now to embark upon is program, and my colleagues and I are happy that increasing revenues make it possible this year. The second change I wish to announce is that commencing this year the grant to the Anti-Tuberculosis League is being increased. It is to be based on the number of provincial patients in sanatoria, and will amount to \$4 per patient day.

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I suppose the most significant change in the budget is one of the smallest in dollar terms — \$42,310 for the Advisory Planning Committee on Medical Care. For some years this Government has made it known that as soon as the Federal Government implemented its 1945 promise to share in the costs of hospital insurance, it would attempt to implement a medical care program. We hope to do so in 1961.

The reason our plans have been announced so far in advance is also clear; the C.C.F. has always maintained that a government should announce its program before an election, in order that the people might know what they are voting for, or against. Nothing in this budget has caused more political stir than this one item. And I regret that so many statements are being made about forcing medical care down the doctors' throats, about political interference in medicine, and so on.

Let me make two things abundantly clear, Mr. Speaker. First, it is for the people of this Province to decide, at the polls and through this legislature whether there is to be a medical care program. Second, the heavy and trying responsibilities that doctors shoulder in caring for their patients are fully recognized by this Government. No scheme we introduce will attempt to interfere with these two cardinal principles of medical care: the privacy of the doctor-patient relationship, and the responsibility of the medical profession to prescribe the best treatment for the sick.

A NEW GOAL

These, then, are the programs in the 1960-61 budget directed toward achieving our goals of economic growth and human welfare. Now, Mr. Speaker, I want to draw attention to certain further new budgetary proposals and to make explicit the third, and new, goal upon which they are based. This is provision of wider opportunities for the people of Saskatchewan to enjoy a richer and fuller life.

As I have said, throughout the post-war years, the present Government has been attempting to provide leadership in the establishment of adequate levels of education, health, and social security. To make these things possible, and to seek an overall improvement in standards of living, we have encouraged and stimulated economic development. As these objectives are progressively attained, we have known that the people of Saskatchewan, with greater opportunity and greater security, would enjoy greater sense of freedom, dignity and self-fulfilment.

But the removal of barriers to self-fulfilment does not automatically assure a full and varied life for our citizens. The opportunities, the facilities and the amenities for this must exist. This must be a new goal for society and governments must be prepared to give imaginative leadership to achieve it.

The Government has sought to evolve programs which will start us clearly on our way to this goal. If our efforts lack the polish and certainty

of established programs, it is only because we are once again pioneering new fields and lack precedents to guide us. However, we are confident that what we propose is an essential step toward the further development of the Province, and are now in a position to submit our programs to the Assembly and to the people.

One of the most important aspects of this goal is the improvement and the preservation of the rural community and rural society. An obvious handicap faced by those who live in the rural areas is the lack of modern water and sewerage facilities. Most of us are familiar with the hardships and inconvenience of operating a farm or managing a household where every drop of water must be carried by pail, and every bucket of waste disposed of by hand. To meet this problem, the Government proposes to launch two programs to assist in providing water and sewerage systems to a large part of rural Saskatchewan.

The first of these programs is aimed at the modernization of farm homes and the general improvement of farmsteads. Farmers who wish to install a system may qualify for four forms of government help. To begin with, the new Family Farm Improvement Branch of the Department of Agriculture will provide technical and engineering aid. This means advice in the design of the outdoor works, technical assistance in trenching and construction, and training courses that will assist with the installation of the inside works. Next, a very significant financial benefit will come from the cost savings that will be achieved through purchase in mass quantities and resale at cost of the supplies required for the outdoor works. Third, the farmer may qualify for a grant to reduce the unavoidably heavy costs which are involved in developing the water supply and disposal works on the individual farm. Finally, to supplement the federal Farm Improvement Loan facilities and other normal credit channels, we will guarantee a substantial portion of all credit union loans made for this purpose. In total we are budgeting for some \$500,000 for the initial year of this program.

It must be recognized that this proposal will undoubtedly raise many administrative problems that will not be easy to solve. But if the same kind of co-operative endeavour, careful planning, and willingness to learn from mistakes that has marked the success of the farm electrification program can be applied in this new field, I am confident that ten years hence the modernized farm home will be the rule, rather than the exception that it is in Saskatchewan today.

The second program will bring sewer and water works to a large number of our towns and villages. Any town or village desiring to install either a water system, or a sewerage system, or both, and which obtains approval from the proposed Municipal Water Assistance Board, will be assisted by the Government. In the first place capital grants will be available to any town or village which proceeds. The budget provides a total of \$400,000 for the Municipal Water Assistance Board, the bulk of which is intended for capital grants. A second kind of assistance results from the government's policy of purchasing local government bonds where the municipality encounters marketing difficulties. We will continue to buy up to

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50 per cent of the bonds of any such municipality. This means that the Government will be supplying most of the capital required for the municipal program.

Finally, as a third phase of water and sewerage development, the Government proposes to substantially expand the ground water surveys now going on. By intensifying this search for ground water, we hope to be able to establish more quickly the supplies necessary for the farm and municipal programs.

Another service so essential to community life is the telephone. Here too, those who live in rural Saskatchewan are unable to enjoy the full benefits of modern technology — as anyone who has used some of our rural telephones will testify. The Government proposes, therefore, to make available to rural telephone companies grants to assist in the reconstruction of rural lines and in the maintenance of these lines. To supplement these two forms of financial assistance, technical aid will be made available by Government Telephones and will be financed from the general funds of the Province. Altogether, this program is expected to cost \$410,000 next year.

Let me turn now to another aspect of modern living, which is of concern both to city and country people, but possibly more important to city dwellers. I refer to the use of leisure time. Since the end of the War we have seen the work week in urban centres grow progressively shorter and our incomes progressively higher. We have more time to spend on recreational and cultural pursuits and are prepared to spend more money on them. But unfortunately the facilities that are available for these purposes are still relatively undeveloped. For example, about 25 per cent of Saskatchewan's population — namely the people of Regina, Saskatoon and Moose jaw — are experiencing increasing difficulty in finding, within distances, the parks and beaches they need for healthful outdoor recreation.

The Government is proposing to extend its outdoor recreation program to meet this problem, Mr. Speaker. Work has begun on Pike Lake near Saskatoon to provide greatly improved recreation facilities to the people of that area. Large lake-front properties have been purchased in the Qu'Appelle Lake to meet the needs of the people in Regina and district. A new Provincial Park — Rowan's Ravine — has been opened on Last Mountain and an extensive survey has been undertaken so as to maximize the recreation potential on the 140 mile lake to be created by the South Saskatchewan Dam.

Rounding out this recreation program, we propose a system of grants for regional parks. Recreation sites which may serve a relatively small population and fulfil a regional need, but which lack the broad importance of a provincial park, may be developed by co-operating local authorities or voluntary organizations. Providing that the development plan meets certain conditions, these regional parks may qualify for grants to be administered

by the Department of Natural Resources. The direct requirements of the parks and recreational program, exclusive of the administrative and supervisory costs of conservation officers in the Department, amount to \$523,000 in 1960-61.

Equally important to recreation is the use of our leisure time are adequate facilities for the cultivation of the mind. For example we have more time to read, and the library assistance policies of the Government been steadily increased. Similarly the response to the work of the Arts Board, to the program of adult education and university extension, and the wide appeal of the art galleries all give evidence of a keen and growing public interest. A major step forward in improving the level of facilities as these is now proposed. The Government will ask for authority to supplement its operating grants to libraries by providing the full cost of the headquarters building required by libraries organized under the Regional Libraries Act. We believe that this will remove one of the major obstacles that has handicapped the establishment of such libraries in the past.

A better life for the people of Saskatchewan includes a much wider variety of social changes than these programs can hope to achieve, but they are a substantial beginning and I am confident that with the same kind of dynamic leadership, many more innovations will be undertaken in the years to come.

Mr. Speaker, there has been a good deal of talk about our being on the threshold of the dynamic sixties. For a decade to be dynamic it must achieve high levels of economic growth; it must provide an increasing measure of aid for those in need; and it must bring us closer to realizing the full potential of the individual in our society. I am confident that this budget will contribute to the achievement of these goals.

May I add just one further word, Mr. Speaker? I have referred to the economic changes occurring in our Province over the post-war years, to the impact of these changes on provincial finances, and to the manner in which we have tried to make use of new opportunities to build a co-operative, just, and truly free society in Saskatchewan. Despite the basic handicaps of man and nature, I am confident that historians will record this recent period as a significant one for the Province. Indeed as the rapid spread of hospital insurance from coast to coast now attests, Saskatchewan's influence is well known far beyond its borders. In all of this endeavour, we have been greatly blessed by Providence, and by the loyal, thoughtful support of our citizens. In presenting this — my last budget, I feel privileged indeed to have been able to share in the past sixteen years; and I cannot let this opportunity pass without recording my deepest gratitude to my colleagues in the Government, to the members of this House; and to the people of my Province.

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

SECOND READINGS

Bill No. 29 — An Act to amend The Trustees Act.

Hon. R.A. Walker (Attorney General): — Mr. Speaker, in introducing this amendment, I would like to point out that in the past, there had been no law on the subject of what disposition should be made between a life estate and a remainderman in the division of oil, mineral, gravel or sand. In England there has been legislation on this subject for nearly 100 years. It applies, however, only to England, and there is no rule in this province providing for a distribution of such property.

It is proposed now that where a trustee is renting property — that is, where a personal representative is holding property on behalf of one who has a life estate and this life estate includes the right to work the minerals, one-quarter of the minerals, or the sand and gravel shall be retained by the trustee and treated as capital, the other three-quarters shall go to the holder of the life estate as income. Where, however, the trust instrument makes no provision for the life tenant to work the mines and minerals, in that case the tenant receives one-fourth of the mineral production, and the other three fourths go to the remainderman.

This rule arises because it has been held by the Supreme Court of Canada that a so-called lease of minerals is not a lease in the ordinary sense, nor is it a conveyance. It is something in between a conveyance of a fee simple and a conveyance of a lease, and, as something in between, it becomes necessary to divide the production from the property in some kind of relationship between the two conflicting interests. This means, of course, that this rule would apply in all cases where no other formula is set down by the person establishing the trust. It is an arbitrary rule, but, I submit, it is better than no rule at all. With this introduction, Mr. Speaker, I move that the said Bill be now read a second time.

The question being put, it was agreed to, and the Bill referred to a Committee of the Whole at the next sitting.

Bill No. 30 — An Act respecting the Surrogate Court.

Hon. Mr. Walker: — In explaining the purpose of this Bill, I need only say that it is for the purpose of consolidating a large number of amendments that have been made in the Act over the last several years. The amendments have proliferated to such an extent that it is now almost impossible to decipher the meaning of the Act, and it is proposed to consolidate this Act at this time. There are only one or two minor changes in the Act which, I submit, can be adequately discussed in Committee of the Whole.

With that explanation, Mr. Speaker, I move second reading.

The question being put, it was agreed to, and the Bill referred to a Committee of the Whole at the next sitting.

Bill No. 31 — An Act respecting the District Court and the Practice and Procedure Therein.

The same explanation applies to this one as applied to The Surrogate Court Act. There are no amendments in principle. It is merely a consolidation.

The question being put, it was agreed to, and the Bill referred to a Committee of the Whole at the next sitting.

Bill No. 32 — An Act respecting the Court of Queen's Bench.

This Act likewise has seen a large number of amendments during the last few years, and this Bill consolidates those amendments and makes some minor changes in the Act. They can best be discussed in Committee of the Whole. I, therefore, move second reading.

The question being put, it was agreed to, and the Bill referred to a Committee of the Whole at the next sitting.

Bill No. 33 — An Act respecting the Department of Industry and Information.

I outlined the purpose of this Bill when the Speech from the Throne debate was on, and I don't know that I need to elaborate on it to any great extent at this time. I hope you will pardon me with this cold, Mr. Speaker; I know I must sound pretty gravelly.

The Government had been considering for or some time bringing into one department all the various agencies of government whose function it is to stimulate interest in industrial development, to promote that development and to the service industries already in existence. These include the Industrial Development Office, whose main function is to supply information to companies interested in coming into the province, to get in touch with companies whom we know to be thinking in terms of expansion, and to point out to them some of the advantages in locating in Saskatchewan, to work closely with municipal bodies and help them to entice or induce industries to settle in their community, and to help to process applications which will be coming to the Industrial Development Fund where industries require some capital assistance in setting up a new industry. Then there is the Trade Services Branch which has been in the Department of Co-operatives. The Branch gathers information regarding retail and wholesale trade, and supplies information to our retail merchants and our wholesalers. Then there is the Freight Services Division and the Transportation and Freight Assistance Branch, which was not up originally to present the case for the

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Government of Saskatchewan, and to prepare materials to submit to the Board of Transport Commissioners regarding numerous freight rate increases which have been made by the railway companies. Also, of course, it is used to supply information to new industries who are thinking of coming into the province, as to what the freight rate costs will be.

Then we also have, of course, the Overseas Office which represents the whole Government of Saskatchewan. About 40 per cent of their time is taken up with matters of industrial development.

These are the various agencies we propose to bring together. I think that eventually the Saskatchewan Research Council should come under this Department, so that we can tie all these agencies together in a coordinated program for the promotion of industrial development and the serving of the industrial community.

The idea is not to set up a new department, as I indicated. The idea is to put all these agencies into the present Department of Travel and Information, taking from the Department of Travel and Information the jurisdiction over provincial parks, and rest that in the Department of Natural Resources.

This will mean that the new Department will be concerned with two things. It will be concerned with the whole question of promoting industrial development; it will be concerned with the dissemination of information, and carrying on publicity, particularly outside the province, with reference to the opportunities here for tourist attractions and for industrial development. While these changes will be made, it will not mean setting up a new department. The present Minister of Travel and Information (Hon. Russ Brown) will become the Minister of this department when it is set up.

With that explanation, Mr. Speaker, I move second reading of Bill No. 33.

The question being put, it was agreed to, and the Bill referred to a Committee of the Whole, at the next sitting.

Bill No. 34 — An Act to amend The University Act.

Hon. Mr. Lloyd (Minister of Education): — This Bill proposes to make three changes in regard to The University Act, all of which, I might add, have been requested by the Board of Governors.

First of all it adds to the members of the University Senate the executive assistant to the President. It is obvious that this is a very important position to the University Management and to the Senate.

Secondly, there is a proposal with regard to the quorum which governs the meeting of the Council. The Council of the University is made up of those members of the staff with the rank of assistant professor or higher. It is a body which makes important decisions with regard to the academic matters at the University. The Act, at the moment, says that the council meeting shall have as its quorum a majority of the members of the Council. This was satisfactory when the number of the Council was fairly small, but as the membership increases it becomes difficult to have always on hand that many members. So it is suggested in the Act that the Council shall be given the authority to establish appropriate quorum governing its business.

The third amendment has to do with the method of making appointments to the staff of the College of Medicine. When the College of Medicine was first established, the Act gave to the Advisory Council of the college the right to participate in the appointment of the staff. It is now proposed that, appointments to the staff of the College of Medicine be made in the same ways as any other appointment the staff of any other college and, consequently, the provision for participation the Advisory Council is being dropped.

I would move second reading at Bill No. 34.

The question being put, it was agreed to, and the Bill referred to a Committee of the Whole at the next sitting.

Bill No. 36 — An Act to amend the Minimum Wage Act.

Hon. Mr. Williams (Minister of Labour): — There are two changes here, I think quite minor changes. The first is the definition of the word 'Restaurant', which will now include outdoor places such as hamburger stands, and so forth. Previously, the definition merely said 'a place in which meals and light lunches are served'; it says now, 'within or from'. That is the only change in that section.

The next section, 32, refers to the eight statutory holidays which are in The Minimum Wage Act and will permit the union concerned and the employer to agree in writing in regard to employees taking some other day off; say, if the first of July happened to be on a Wednesday and it is agreeable to the employer and the employee, the day may be changed. Some might want to have Thursday off, or some might want to have Saturday off. We think that is quite in order, although the strict wording of the Act did not permit it.

With that explanations Mr. Speaker, I would move that Bill No. 36, to amend The Minimum Wage Act, be now read a second time.

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The question being put, it was agreed to, and the Bill referred to a Committee of the Whole at the next sitting.

Bill No. 38 — An Act to amend The Dental Profession Act, 1959.

Mr. M.J. Willis (Elrose): — Mr. Speaker, Bill No. 38, An Act to amend the Dental Profession Act, features an amendment to the Act, and I don't want to go into detail at this time. I will simply move the second reading, and that this Bill be referred to the Law Amendments Committee.

The question being put, it was agreed to, and the Bill referred to the Select Standing Committee on Law Amendments and Delegated Powers.

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