

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
Fifth Session — Fourteenth Legislature
12th Day

Friday, March 1, 1963.

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

On the Orders of the Day:

TELEPHONE AND TELETYPE SERVICE FOR URANIUM CITY

Hon. C.C. Williams (Minister of Labour): — Mr. Speaker, before the orders of the day are proceeded with, I would like to make a brief statement of public interest and to the interest of every member of this legislature.

Direct telephone and teletype communication with one of Saskatchewan's most northerly communities became a reality Wednesday afternoon following the successful completion of a microwave scatter system to Uranium City. The residents of the northern mining community will for the first time have access by telephone to any phone in Canada, the United States or overseas. The long-distance network was the culmination of many months of work and planning by Saskatchewan Government Telephones in co-operation with the Alberta system. The microwave scatter system connects Uranium City to the Alberta system at Hay River. It will provide seven voice channels for telephone, three teletype circuits for commercial traffic and Department of Transport use, and a broadcast channel for the relay of CBC's McKenzie radio network to the low-power relay transmitter at Uranium City. Further circuits will be provided if the need arises. On the first day the system was in operation 57 calls were completed by Uranium City residents to outside phones. There are 455 subscribers in the community.

MUNICIPAL WORK INCENTIVE PROGRAM

Hon. E.I. Wood (Minister of Municipal Affairs): — Before the orders of the day, Mr. Speaker, I would like to make an announcement with regard to the municipal winter work incentive program. Yesterday our Premier received a telegram from Mr. Starr, Minister of Labour at Ottawa, to the effect

March 1, 1963

that extension has been approved of the final date of the program from April 30 to May 31 of this year. Our Premier telegraphed back acceptance and our continued co-operation. I may say that detailed information with regard to this will be sent out to municipalities immediately.

WELCOME TO PILOT BUTTE 4H CLUB

Mr. C.H. Thurston (Lumsden): — Mr. Speaker, before the orders of the day are proceeded with, I would like to draw the members attention to a fine group of young people in the west gallery. They are members of the newly-formed Pilot Butte 4H Community Club. They are attended by their leader, Mrs. Langon. I am sure that all members welcome this young group here this afternoon and hope that their stay is an enjoyable one and a profitable one.

WELCOME TO STUDENTS

Mr. A. Thibault (Kinistino): — Mr. Speaker, before the orders of the day, I would like to draw your attention to the fine group of students from Weldon High School. They are Grade 12 students and they are led by their principal, Mr. Paine, and bus drivers Mr. Robertson and Mr. Hogan. I hope that their stay here this afternoon will be both a pleasant and a profitable one.

TELEPHONE SERVICE TO LA RONGE

Mr. A.R. Guy (Athabaska): — Mr. Speaker, before the orders of the day, I would like to direct a question to the Minister of Telephones. I wonder if he could tell this house whether there is a completion date set for similar service to La Ronge as he has announced today was completed to Uranium City.

Hon. Mr. Williams: — The completion of this particular service to the town of La Ronge will be completed, as I understand it, sometime late this fall — no definite date as yet.

BUDGET DEBATE

The Hon. Mr. Brockelbank moved:

That Mr. Speaker do now leave the Chair.

Hon. Mr. Brockelbank: — On the 14th of next month it will be 25 years since I was nominated as the CCF candidate in Tisdale constituency. The convention was at Crooked River. At that time there was not one mile of properly built up and gravelled highway in the whole constituency. Snow removal was barely a dream for the future. The roads, like the government of that day, were not up to much. They — the roads — were a mixture of mud, water, snow and ice.

Nevertheless, Mr. Speaker, the delegates attended that convention from all parts of the constituency. Some came in horse drawn vehicles, some in old jalopies, some on freight trains, and some walked, but they got there. I shall never forget the trip from Steen to Crooked River in a Model A Ford, driven by the present Minister of Social Welfare. We pushed it, we pulled it, and sometimes we rode in it, but we got there.

That constituency was a neglected area. Now those people are proud of their roads, their electric power, their schools and their hospitals. Those people have been faithful to me, I could not forget them, nor could I abandon them.

Now it is 24 years — almost to a day — since I first listened to a budget speech as a member of this house. I realized then the importance of that event and through the years I have increasingly recognized its importance. Today, as I deliver my first budget speech, I can assure you, Mr. Speaker, that I fully appreciate the honor of assuming this responsibility.

I would like also to pay my respects to my predecessors in this office. I am glad two of them are here occupying very important positions and I appreciate their counsel and advice. From 1905 to this time there have been a great number of provincial treasurers. Their problems varied from those of poverty and contraction of government services to those of boom and expansion. One problem was no doubt common to all — that of matching expenditures with revenues and maintaining a fiscal policy in the best interests of the people of this province. I think we can truthfully say that all provincial treasurers have met their problems with the desire to arrive at what they consider to be the best solutions.

March 1, 1963

It has been the tradition in presenting the budget to begin with a review of economic conditions both in Canada and in our own province. This is necessary because budgets and the programs they provide for are shaped by the state of the economy. The budget cannot be fully understood except against the background of current economic conditions. I want, therefore, to begin by turning to a review of the economic events of the past year and to outline what we might expect in the year to come.

Looking at the economic scene in Canada, there are at least two main areas of interest and relevance to this budget. One is the change that has taken place or is now underway in Canada's economy. These are the things that will immediately and directly affect our revenues and expenditures.

The other is the change that is taking place in our traditional ways of thinking about economic policy. I sense that more and more people are becoming aware of what we have long argued — that the automatic operations of the market will not achieve the economic goals we would like to reach, and that some positive direction and guidance of our economic activity is necessary. This thinking itself is now new; what strikes me as being new is the greater explicit acceptance of the need throughout the country. Present day orthodoxy will not yet permit us to call this direction and guidance "economic planning" which it strongly resembles, but that does not matter too much. The important thing is that the need is recognized and that our obsolete habits do not prevent us from taking necessary action. Before exploring this further, I would like to turn to a review of recent economic events.

The recovery that began early in 1961 continued throughout 1962 and economic activity was sustained at a relatively high level during this period. The Gross National Production for 1962 is estimated to show an increase of about eight percent over 1961. In per capita, constant dollar terms, the G.N.P. expanded about four percent last year. This has been the best performance of our economy since 1956.

The level of output, however, is only part of the story. We should look at the sources of these gains, to determine whether we can expect them to sustain economic growth in the years to come. Unfortunately this part of the picture is not so encouraging. Although all sectors of the economy showed gains, the major increases appear to have resulted from the improved crop output in the prairie region and certain increases in production of durable consumer goods. The former, we know, is not due to any inherent strength in the economy. The latter, federal government economists tell us, was largely a result of the recovery of some industries from the 1960-61 cycle. Neither can be looked to for continuing strength.

Other sectors of the economy that contributed to last year's gains behaved somewhat erratically. For example while exports will probably show a substantial increase for the year, by fall they were beginning to decline. It looks like the whole of the increase in exports was in our trade with the United States. We must remember that last year the United States economy experienced very substantial gains, but the expectation is for a decline in the rate of growth in that country in the year ahead.

Another and even darker aspect to the current economic situation is the steadily rising level of unemployment. This is all the more ominous for taking place during the peak of a recovery period and at a time when our Gross National Product rose by eight percent. Since last summer, unemployment has increased continuously and by December the national figure stood at six percent of the labor force, after adjusting the data to eliminate the seasonal variations. For the year as a whole — and I remind the house that this has been our best year since 1956 — unemployment has averaged close to six percent.

This is a continuing problem, not a temporary condition. Yet there is little evidence that much is being done to meet it. Last September a United States committee known as President Kennedy's Committee to Appraise Employment and Unemployment Statistics reported that of the major industrial nations, excluding those in the sphere of influence of the U.S.S.R., Canada had the highest level of unemployment. The sobering results of the committee's study, with the data reduced to a common base for purposes of comparison, show the following percentages of the labor force unemployed: West Germany, 1.0 percent; France, 1.9 percent; Great Britain, 2.4 percent; Canada, 7.0 percent. Although the data shown are for the year 1960, the same results would certainly apply to the last two years.

The countries with the best record are those that have the most highly developed social security systems and economic planning procedures. The national productivity council's Mission to Europe reported this. It is not, as we are so often told, these foundations of the welfare state that threaten moral fibre of a nation. Rather it is the lagging growth in the economy and chronic unemployment which present the real danger.

The failure to provide full employment lies at the root of a growing anxiety about Canada's economic performance, and national preoccupation with how it can be improved. Everyone is talking about economic planning these days — businessmen bank presidents, even the national Liberal party and the Prime Minister. Pretty soon we might even see the anti-planning diehards here at home recognize that careful study and thoughtful action by government is essential to cope with the economic problems we face today.

March 1, 1963

This recognition is coming slowly but inevitably as the advantages we enjoyed in the first decade following the war disappear and the hard facts of economic life continue to unfold. We now realize that economic growth will not come automatically, or as easily as it did when Europe was dependent on our resources and output and when the huge backlog of consumer demand at home and abroad provided ready markets. Even in a year as good as 1962, the undercurrents of uncertainty and pessimism could be felt. The foreign exchange crisis resulted from a basic lack of confidence in the Canadian economy as well as from short-run factors. Some of the austerity measures that were taken to restore feelings of confidence also had the effect of creating some unemployment. Canada was not, and is not, properly prepared to meet economic crises or to guide long-run economic development. At best we are only beginning to acknowledge the need to prepare ourselves.

This government and our party have long advocated the establishment of effective planning machinery — including machinery which will integrate the actions of the federal and provincial governments in the interests of common economic objectives. We are convinced this is the only way we will ever come to grips with the fundamental economic issues of slow growth, unemployment and uncertainty. To do this Canadians must fully free themselves from old prejudices against the positive role government must play in guiding the economy of the nation.

Turning to the provincial scene, it is gratifying to note the new record levels of activity our economy achieved in 1962. The total net value of commodity output reached close to \$1,200 million, about 65 percent higher than last year. This is the highest level ever reached in Saskatchewan. We estimate that personal income, the total of all income received by Saskatchewan residents, totalled over \$1,500 million in 1962. This, too, is the highest level we have yet achieved. Last year wages and salaries alone reached an estimated \$670 million, the highest on record and almost twice the total paid out only ten years ago.

The very marked improvement in our economic performance last year is mainly due to the near bumper crop harvested by our farmers last fall. We began the growing season with dangerously low moisture reserves which we feared might seriously affect the 1962 crop. Fortunately, good rains over most of the province resulted in wheat yields averaging 20 bushels to the acre. This, together with record high level of income from livestock brought the net value of agricultural production to \$615 million, over three times that reached in the 1961 drought year.

Farm cash income, which measures the gross income received by farmers from the sale of farm commodities and from other sources such as PFAA payments and cash advances, reached

\$706 million as compared to \$622 million in 1961. A significant part of this total, over \$140 million, represented higher wheat board payments for wheat and barley and larger PFAA payments, most of which were received in the first six months of the year. Farm net income, which takes into account the actual results of production and expenses incurred, shows a much sharper increase. We estimate that farm net income reached \$500 million, over four times the figure for 1961.

The substantial improvement in the farm income picture, together with record non-farm incomes, brought retail sales in 1962 up to an estimated \$958 million. This is five and one half percent better than the previous year. Nor is this result confined only to Saskatchewan. The Montreal Financial Times, in writing about the rise in consumer spending on the prairies, says "this may develop into a key prop to the whole business recovery in Canada".

Looking over the history of the retail trade in Saskatchewan in recent years, it is interesting to note the high degree of stability in the value of sales. This is largely due to the high level of total wages and salaries paid in the province and their steady increase over the years. It can be attributed in part to government transfer payments of all kinds. These so-called "built in" economic stabilizers of purchasing power have also been increasing. Last year they reached over \$200 million, most of which was spent on essential goods and services.

The continuing economic growth and development of the province was also reflected in the manufacturing industry. The value of factory shipments which had remained at just under \$350 million during the preceding recession rose to close to \$370 million in 1962.

New highs for the province were also established in capital investment which reached a level of \$698 per capita. This is well above the Canadian average of \$628 and the third highest among the provinces.

The mineral industries also achieved new records. Apart from the very substantial gains of over 20 percent in petroleum and natural gas production during the year, 1962 saw the first producer of potash come into full scale production at Esterhazy. This plant, which represents an investment of \$40 million, will produce over \$25 million worth of potash annually working at capacity. In addition to potash, helium gas has been developed into a major economic asset. It will shortly be produced in commercial quantities. Economically, helium is like potash, in that Saskatchewan at the present time has the only known deposits in Canada suitable for commercial production. However, it has an added significance in being the only natural source of supply, outside the United States, in the nations of the western alliance.

March 1, 1963

Both these minerals represent important new foundations for our economic growth and industrial expansion. Both the short-run and long-run market prospects for these commodities are excellent; sources of supply are adequate for the foreseeable future. We are fortunate to be able to look to these two resources to provide a more solid and certain base not only for Saskatchewan but for Canada as well.

The prospect for 1963 is for a significant slowing down of the national economy. The continuing uncertainty about where Canada is headed offers little hope for a new dynamic for economic growth.

In retrospect, the gains achieved in 1961-62 appear to have been mainly a recovery from the low levels of the preceding recession. The increase in output resulted in the building up of inventories, while the improved import-export balance was achieved only by drastic emergency measures. None of these represent any basic sources of continuing strength that can be expected to sustain expansion this year. For these reasons a majority of business economists are forecasting a light recession or, at best, a levelling off of activity in 1963. There is a widespread consensus that the economy will move ahead only slightly and the Gross National Product will not rise by more than three to four percent. In per capita constant dollar terms this means a rate of growth of only one percent. Across Canada generally, the expectation is that consumer demand will not show the strength it did last year.

Neither business nor government spending is expected to add any significant impetus to the economy. Forecasts of business spending and investment vary from a modest increase to no increase at all in real terms. With respect to government spending, the continuing efforts of the federal government to curtail its expenditures will tend to dampen economic activity in 1963; any increases in this sector will be due largely to expenditures by provincial and municipal government.

In foreign markets the demand for Canadian products is not expected to grow as strongly as it did last year. The pace of economic activity in the United States, which takes well over half of our total exports, is expected to decline. This will naturally affect the demand for Canadian goods. Similarly, Europe is experiencing some slackening in its rate of growth and will take less of our output. The actual decline in exports to European and Japanese markets was very marked last year. This year European crop production is expected to be high and this may result in lower Canadian wheat shipments abroad.

These are the major demand sectors we depend on for higher levels of production, fuller employment and expanding incomes both for individuals and for governments. This outlook

for 1963 holds out little promise for significant improvements in the year ahead. It is a sad reflection that in none of these areas has the national government taken the planned purposeful action the situation requires.

In Saskatchewan, our resource based industries will again dominate the economic picture in 1963. In agriculture, moisture conditions are much better than they were at this time last year and we are hoping for at least an average crop. With an average crop, farm net income should be about \$300 million. Lower off-farm movements of grain and reduced wheat board and supplementary payments are expected to reduce cash income by about \$100 million. Livestock production is expected to maintain its record levels and give substantial support to the whole agricultural industry.

This year we anticipate a significant increase in mineral production. The value of output is expected to increase by about ten percent. Part of this will be due to greater oil production. Part will be due to a full year of production in the potash industry. This is one of the most auspicious and gratifying prospects we can look forward to.

In the other sectors of the economy, and in the overall view, we can look forward to good progress on all fronts. Industrial expansion and the diversification of the economy which we have witnessed over the years will continue and should raise the net value of output of all the non-agricultural commodity-producing industries to a new record high of close to \$600 million. We also expect the level of private and public investment to be maintained at close to the record figures achieved in the year just past. Personal income from sources other than farm operations, such as wages and salaries, unincorporated business income and investment income, will also continue to increase and will again reach new peaks. If this year's crop is as good as last year's, total personal income will reach the highest levels in our history. It would, of course, be foolhardy to count upon good fortune to this degree. We have to base our calculations on a return to average levels of farm production and consequently we forecast some decline in personal income. Nevertheless, higher cash flows seem likely to be reflected in a higher value of retail sales. We estimated last year's retail trade at about \$958 million. This year, with a good crop and higher labor income, retail trade might well reach, for the first time, the \$1,000 million mark.

The economic conditions of the province are reflected in the government's financial accounts. During 1962-62, when the Canadian economy was less buoyant and Saskatchewan suffered a crop failure, the government sustained a small deficit of \$3.3 million. The public accounts, which were tabled earlier

March 1, 1963

in the session, reveal expenditures of \$152.3 million, up \$4.9 million from the previous year. This increase was largely due to the extra costs incurred as a result of the drought year. Revenues were \$149 million, up \$4 million from the year before. The net debt of the province rose that year by \$3.1 million, to \$22.6 million.

In contrast, the buoyant economy of 1962 has contributed to a substantial rise in revenues during the current year, and to a corresponding improvement in the province's financial position. I expect, indeed, that by the end of the fiscal year I will be reporting a budgetary surplus of more than \$5 million.

Some Hon. Members: — Hear, hear!

Hon. Mr. Brockelbank: — Revenues have risen as my predecessor, the Hon. A.E. Blakeney, predicted they might if we were to have a “really good year” instead of the “moderate levels of economic activity” which were indicated by last spring's poor moisture conditions. Consumption taxes this year will exceed our estimates by over \$5 million — the education and health tax by over \$2 million, the gasoline tax by some \$2 million, and liquor profits by \$1 million. Mineral resources revenues also are expected to exceed the estimate by \$5 million due to capacity oil production and increased bonus bids for crown lands.

The revenues which depend upon the rate of growth of the national economy will also exceed expectation. As I have said, the nation's production now is expected to have risen by some eight percent in 1962, instead of the six to seven percent which was generally predicted a year ago. The result is that revenues from the federal-provincial tax sharing arrangements will reach \$49.3 million instead of the original estimate of \$46.6 million.

In addition to these revenue increases, we have received a further \$4 million from the federal treasury. This came about largely because the tax sharing payments in the period 1957-62 were based upon population estimates. The 1961 census figures revealed that the populations of British Columbia and Ontario had been overestimated while Saskatchewan's population had been underestimated. The result was that Saskatchewan was due for a substantially increased payment.

This is the picture as far as revenues are concerned. On the expenditure side, the province fortunately was not faced with the costly drought measures which we had to meet the year before. The result is that our ordinary expenditures have conformed pretty well to the budgetary plan. Capital expenditures, on the other hand, and grants to support municipal capital projects, are up by about \$4 million. This is

largely the result of one of the longest construction seasons in history. The government could have suspended construction activity when expenditure targets had been reached, but we chose instead to permit all projects to proceed.

There is a second reason that expenditures for the current year will exceed the estimates. We have embarked upon a new economic development programme and a new programme for improving the public services of Saskatchewan. Both of these will require initial injections of capital. I will speak of these in more detail later, Mr. Speaker.

As for the public business enterprises, their 1962 results generally reflect the favorable economic trends experienced in the province last year. Total business volume of the eleven operations rose by eight percent, passing the \$100 million mark for the first time. At year-end there were over 6,000 workers employed, and the wage and salary bill for the year amounted to almost \$29 million. Grants in lieu of taxes paid to the municipalities also increased to \$1,415,000.

Net surpluses for all the corporations totalled \$8,446,000, with both the power corporation and government telephones reporting significantly higher earnings. As for the government finance office group of enterprises, despite losses incurred by Estevan Clay Products and Saskair, the net position was better than in 1961. Net earnings for this group totalled \$888,000. The finance office has drawn upon its reserve and continued to pay its regular dividend of \$1 million to the Provincial Treasurer this year.

A summary of these financial results is shown in the printed copy of the budget speech.

Before presenting the budget for next year, Mr. Speaker, I would like to say a word about capital financing during 1962, and about the province's net debt.

In the calendar year 1962 we borrowed \$72.5 million. These funds were obtained from the following markets: \$45 million from the Canadian long-term bond market, \$11.6 million from the Saskatchewan savings bonds market, \$1 million from the sale of short-term bonds, \$13 million from treasury bills in the money market, and \$1.9 million from the sale of a treasury bill to the government of Canada — to finance one-eighth of this year's expenditure on the South Saskatchewan River Dam.

With your permission, Mr. Speaker, I should like to include a list of the 1962 debenture issues. Mr. Speaker, I hope we can take them as read.

March 1, 1963

I am happy to remind hon. members that the third issue of Saskatchewan savings bonds will go on sale Monday, March 4. These are ten year bonds carrying an interest rate of five percent from March 15, 1963 to March 15, 1969 and five and one-half percent from March 15, 1969 to March 15 1973. The bonds will remain on sale until approximately \$10 million have been sold.

At the end of the current year I expect that our gross debt will equal some \$560 million. Some hon. members have suggested that we should not borrow, but that the power and telephone corporations should grow on the basis of the profit on their operations. Let me quote to them the words of a Liberal Premier and Minister of Finance, the Hon. Jean Lesage of Quebec:

As a result of a primitive concept of public finance, the former administration ended up by believing, or by pretending to believe, that public loans were a method of financing to be avoided because it was evil in itself. One thus made of the public debt, or rather the payment of the public debt, and of the absence of borrowing, a myth that it would be regrettable to perpetuate.

I want to say, Mr. Speaker, that the justification for our debt lies not along in the services which our corporations provide, but also in the fact that our taxpayers own financial assets which now exceed the total debt of the province.

I might remind hon. members of the events which led to the elimination of Saskatchewan's net debt. First, the net debt of the province was reduced, by this government from \$145 million in 1944 to \$22 million in 1962. Then, when the government of Canada relinquished its control over the old school lands fund in 1962, the fund was converted into a special investment account — which holds Saskatchewan local government and provincial bonds — and it became an asset of the consolidated fund. Finally, the surplus which we expect at the end of the current fiscal year will further contribute to the accumulation of financial assets which exceed our direct liabilities.

So, on April 1st, for the first time in many decades, the government of Saskatchewan will begin the fiscal year with no net debt.

Some Hon. Members: — Hear, hear!

Hon. Mr. Brockelbank: — It is true, of course, that the province still has outstanding some debt which was incurred for constructing highways and public buildings. On this debt we are continuing to pay interest — some \$1.9 million in 1963-64. However, our various financial assets earn interest which next year will amount to \$2 million — \$100,000 more than the interest we will be paying.

Hon. Members may confirm this picture by reference to the Dominion Bureau of Statistics publication, “Financial Statistics of Provincial Governments, Summary of Estimates 1962”. Page 14 shows that even in 1961-62 our interest income exceeded our interest payments.

May I quote from one of my predecessors.

It is a common practice with many people when discussing the amount of interest paid by the province to refer only to the gross amount paid without taking into account the interest revenue. This is unfair and is not calculated to give the public a true picture of the actual situation.

This statement was made by the Hon. W.J. Patterson in his budget speech 24 years ago.

I suggest that the Hon. Leader of the Opposition is the only political leader in Canada who refuses to accept net debt as the proper measure of a government’s financial position.

Mr. Speaker, I turn now to the budget for the next fiscal year. Revenues are estimated at \$184.3 million, and expenditures at \$187.8 million, leaving a small deficit of \$3.5 million. Of the \$187.8 million of expenditures, \$164.4 million are classified as ordinary and \$23.4 million as capital.

This budget has been developed to conform with the government’s fiscal policy: “a balanced budget in the long-run, with moderate deficits when the economy is performing sluggishly and surpluses when it is restored to a desirable rate of growth”. Thus in 1962 when the rate of economic growth was very satisfactory we enjoyed a handsome surplus, and in 1963, when we expect the Canadian economy to perform less satisfactorily, we are planning for a small deficit. If 1963 turns out to be better than we have predicted, I would expect our budget to be in balance.

On the revenue side, I anticipate that the consumption taxes will yield roughly the same in 1963-64 as in the current year; the education and health tax is estimated at

March 1, 1963

\$37.5 million, the gasoline tax at \$27.5 million, and liquor profits at \$14.25 million. The federal-provincial tax sharing arrangements are expected to yield approximately the same amount as we will receive this year — \$49½ million. Resource revenues, swollen as they were this year by large receipts from the sale of oil lands, are expected to fall from about \$28 million in 1962-63 to \$25.5 million next year.

On the expenditure side, the principal increases are to be found in education — up \$4.3 million; social welfare — up \$2.4 million; public health — up \$1.9 million; public works — up \$1.2 million, and highways — up nearly \$1 million. Gross expenditure on agriculture will be up almost \$4 million.

I want now to speak in more personal terms about the job this budget will do. I do this partly because I find myself thinking of the enormous changes that have been wrought in this province since I went into politics 25 years ago, and partly because I sometimes think we lose sight of the effect on the individual of the government measures which are contained in budgets.

There is a lot of talk these days about the welfare state, and about its effect on the individual. The charge is frequently made — hon. members opposite have learned the formula well — that those who advocate a positive role for governments are hostile to the notion of the free and independent individual in society. If you believe that certain services should be made universally available to all citizens — be it hospitalization or medical care, rural electrification or sewer and water services on the farm — you are told that you are interfering with the rights of the individual. It is never quite clear just how the rights of the citizen are being impaired. Perhaps it is because some citizens are required to contribute not only to their own welfare but to their neighbor's as well. The argument of the Liberal party is clear enough; more government means less freedom. The CCF, because it believes that basic human needs should be met by government action, is charged with being indifferent to the rights of the individual. It is precisely because we in the CCF government are concerned with the individual, his independence and his self-development, that we advocate a positive role for government. Indeed it is precisely because there have been people who are poor and insecure, and because freedom from fear and freedom from want have been denied to people, that the CCF was formed in the first place.

Let me quote to you some of the things we said years ago when CCF policies were first being formulated. One leader described the basic objective of the CCF this way: he said we must guarantee for everyone “a dignified, and a rich and varied life”. That was David Lewis, deputy leader of the New Democratic Party in the last parliament of Canada. Another CCF leader said this:

The function of any well-organized society should not be primarily 'to provide employment' but should be to develop its resources and industries co-operatively in such a manner as will provide full personal development and expression for all.

The man who said this was C.M. Fines, our provincial treasurer for sixteen years. Another leader put it this way:

Freedom is more than the mere absence of restraint; it is the presence of opportunity . . . It is not enough that Canadians shall be 'free' to do the things they want to do; there must also be the opportunity for them to develop a whole and abundant life.

This was said in 1944 by our former premier, T.C. Douglas.

Our point is a simple one. Individualism, independence, self-expression, personal development — none of these is possible so long as a man is insecure in his job, unable to provide adequately for his family, threatened by poor health, or ill equipped to take his place in a technologically complex society. It is easy enough to preach about the free enterprise system and rugged individualism when you are prosperous and privileged; but it is pretty difficult to be an individual when you are beset with financial difficulties, with uncertain employment, or with health problems. If governments can help the individual to meet these problems — and they are still common problems — they make it possible for men to stand up as individuals, and to be free in the fullest sense of the word.

This, Mr. Speaker, is the real objective of this budget, and all budgets that have gone before it. Let us look at some of the differences which government measures have made over the past fifteen years to life for the individual in Saskatchewan.

First, the budgets for education have greatly increased the opportunity for a good education. Where in 1948 only 2,740 students graduated from high school, in 1962 there were 6,370. The proportion of grade eight students who completed their high school education was only 43.5 percent in 1948, while in 1962 it had risen to 60 percent. Today the educational opportunities available to the young people living on farms or in small communities are practically equivalent to those in urban areas. Most of this is due to the larger school units. Larger and better schools have been constructed and some 56,000 students annually are being conveyed to these schools. The quality of teaching has improved. In 1948 only 16 percent of our teachers had two years or more of teacher training, now nearly 60 percent have such training.

March 1, 1963

In addition to equal opportunity for public and high school education, our budgets have made available greatly improved facilities for vocational and university training. University enrolment has nearly doubled in 15 years — from just over 4,000 in 1948 to nearly 7,500 in 1962. Over 1,500 students have been trained under the apprenticeship program since it was started in 1947. In 1963 there will be room for 3,200 students in technical and vocational schools in the province. There were virtually no such facilities 15 years ago. To enable students to use these institutions of higher learning, the student loan fund has assisted over 7,500 students since it was started in 1949, and some 400 scholarships are awarded each year.

Next year will see still further improvements in our educational system. School grants are to be increased by \$2.7 million, from \$33.9 to \$36.6 million. The extension to the Moose Jaw technical institute and the new Saskatoon and Prince Albert institutes will be completed. Construction will begin on the first two buildings of the new Regina campus of the university, a project estimated to cost over \$7 million. The government's operating grant to the university will be increased by \$1 million.

Would my hon. friends opposite say these expenditures destroy the rights of the individual?

What about health programs? In 1948 40 out of every 1,000 newborn babies dies; in 1962 this had been reduced to 25 per thousand. In 1948 one out of every thousand mothers died in childbirth; this number is now down to one out of every 5,000. In 1948 only some 15 percent of the patients in mental hospitals were being discharged each year; now the percentage has risen to nearly 48. In 1948 the number of hospital beds available was under 4,700; now there are over 7,000. In 1948 there was accommodation for 655 mentally retarded people; now we have room for over double that number. Today it now costs a family of four, with an income of \$3,500 a year, about \$48 for medical care, compared with the \$84 it would have cost them under private schemes.

I could go on and talk about other measures which reveal how greatly improved is the health of our people in Saskatchewan, and how this is due in very substantial measure to the expenditures on health regions, mental health, cancer treatment, hospitalization and medical care. The plain fact is, Mr. Speaker, that when health care, like education, is made equally available to all, the health of the province improves.

Some Hon. Members: — Hear, hear!

Hon. Mr. Brockelbank: — Next year the government proposes to extend the availability of health care. The cities of Regina and Saskatoon, which have not been established as health regions, will receive a grant of 50¢ per capita to assist them in their public health programs. The Yorkton psychiatric centre, which will accommodate 148 patients, will be opened this year. To reduce the cost of medical education, three quarters of which is now borne by government grants, a medical scholarship and bursary program is being proposed. Forty scholarships, ranging from \$250 to \$750 will be awarded annually to University of Saskatchewan medical students, and 95 medical bursaries will also be given each year. In addition we propose to make available 35 dental bursaries to increase the number of dentists in the province.

Would my hon. friends opposite say these expenditures destroy the rights of the individual?

These provisions for equal access to education and to good health are fundamental to the development of the individual. I believe that the uncertainty of employment and the uncertainty of income, more than anything else, destroy that assurance and dignity which are the marks of free men. We who remember the 1930's can testify to this.

It was one of the prime objectives of this government when it was elected in 1944 to give the farmers and the workmen some voice in the conditions under which they worked. One of the first things we did was to provide at least some security for the farmer; to require that under crop failure conditions the payments on debt must be deferred. We recognized, of course, that the real problem was adequate farm income.

During the past 15 years the picture has been changed substantially. Farm management practices have improved to the point that in 1961, when moisture conditions were similar to those of 1937, the average wheat crop was eight bushels to the acre, instead of the two bushels of 1937. Moreover agricultural production has become more diversified. Income from livestock has increased from about \$80 million in the mid 1940's to over \$137 million in 1962.

There is no doubt that the extension program of the government, the research at the university, which is supported by the province, the 4H Clubs, the agricultural earned-assistance grants, all have contributed to this greater stability and diversification in agricultural production. In particular the 375,000 acres of community pastures which we have established, the drainage work which has benefited, directly or indirectly, some 3.5 million acres, and the clearing and breaking of some 570,000 acres, all have had a direct bearing upon the higher productivity of Saskatchewan agriculture.

For the individual farmer there have been other substantial changes. The agricultural machinery administration, through its machinery testing program, will save farmers many

March 1, 1963

millions of dollars in repair costs. The crop insurance plan, which serves to complement the PFAA scheme, is being used by more and more farmers. The farmers' vulnerability to the vagaries of nature has been further reduced by the assistance under the insect control and emergency fodder programs.

I am not suggesting, Mr. Speaker, that all of agriculture's problems have been solved. We all know that we have a long way to go before the farmers of this province enjoy the income and the security of income that they should; but I want to ask my hon. friends, do these expenditures destroy the rights of the individual?

Now what about the industrial worker: The provinces cannot ensure full employment any more than they can sell wheat or embark upon a parity-price plan; but they can do something to provide employment opportunities and to ensure adequate income for the worker. All of us are familiar with the expansion and the diversification of the Saskatchewan economy. We cite the fact that non-agricultural commodity production now equals about 60 percent of what we produce, compared with about 30 percent 15 years ago. What we are less aware of is what this has meant to the individual worker. Where in 1946 there were 146,000 non-agricultural jobs, now there are over 200,000. The income being earned by the individual worker has risen substantially; from \$35 a week in 1947 to \$77 in 1962. The minimum wage, which puts a floor on wage payments in urban areas, has been raised so that it now provides 40 percent more purchasing power than it did in 1948.

Conditions of work have been improved too. Employees are now assured of reasonable working hours, of vacations with pay, of equal pay for equal work and of overtime pay. Such assurances did not exist 20 years ago. Who will say that these measures have reduced freedom? Can anyone honestly argue that employees who now have the right to bargain collectively with their employer have lost their freedom?

No, Mr. Speaker, these government measures mean more individual freedom, not less. They mean more individual freedom for more people — even if they also mean that those of us who are more privileged must pay a little more to help to achieve it.

Consider, for example, the family that needed social aid 20 years ago. Under the system of that time, the family would have to come cap in hand and virtually beg for help. Their most intimate personal problems would be dragged into the open before friends and neighbors. As often as not there were long delays in dealing with applications — some intentional and some the inevitable result of the system — while families went hungry. If they were lucky they got some help that was a fraction of what they needed. This they had to promise to repay,

and liens were taken against the little they owned. This kind of experience did little but degrade, humiliate and discourage these unfortunate enough to have to seek help.

Today we have radically changed the social aid program. We say anyone who needs help is entitled to it because he is a human being. So does not have to sign away his future earning power to get it. There are some who still argue that we should force these people to work by cutting them off social aid. Most can't work. Jobs aren't always available. You can't create a job for a breadwinner nor rehabilitate him, if that is necessary, by starving his family. Families are getting more help now but only the heartless would say that a family of four, getting a weekly income of less than \$30 for food and clothing, is living too well.

Here are some of the things our welfare programs have done. During the three most recent years of our vocational rehabilitation program, people who have been receiving public assistance to the extent of nearly \$200,000 are now earning over \$500,000 a year. For the aged there is now modern accommodation for 5,000 people compared with less than 800 15 years ago. Children who come into government care now are rarely institutionalized; they are placed promptly into adoption or foster homes. Our correctional institutions are no longer simply punitive; instead we seek to rehabilitate prisoners through trade shops, work camps and other training programs.

The truth is, Mr. Speaker, that there now is far more likelihood of people who receive welfare services emerging as men and women with dignity and confidence than ever was the case 20 or 30 years ago. This continues to be our goal. We will extend the social aid program by making available special benefits, such as tuition fees for rehabilitation training. We will complete the Swift Current Geriatric Centre, making 120 more beds available for old people who need nursing care. Next year we will continue with the addition to the Regina Correctional Institution, so as to make possible improvements in its rehabilitation program.

The welfare state does not, of course, concern itself solely with the unfortunate; it has as its goal a better life for all people. As this is achieved, through more employment and higher incomes, the state must begin to make available some of the amenities of life which people are unable to provide for themselves. The unavoidable hard life of the pioneer was not in itself a virtue, even though some who live in luxury try to make a virtue of this necessity for the other fellow.

We have embarked upon programs which will relieve the hardships of life in rural areas. The power corporation has brought power to 60,000 farms compared with 1,500 15 years ago.

March 1, 1963

It has brought low-cost electricity to 1,000 communities compared with 145 15 years ago. There are now 140 communities being served with natural gas, compared with two ten years ago.

About 6,000 farms have installed sewer and water systems assisted by the family farm improvement program. Fifty-six communities have been helped to install water and sewer systems under the municipal water assistance program. Very important to rural Saskatchewan is the construction, since 1956, of 8,300 miles of the proposed 12,000 mile grid road system. For both rural and urban citizens the whole highway system has been immensely improved; in 1962 there were over 3,000 miles of dust-free highways compared with 131 miles 15 years ago.

All of these conveniences cost money; all of them are being paid for through service charges or taxation. But who would say that they interfere with the rights of the individual?

Mr. Speaker, I don't think anyone wants to return to the hardships of life in the earlier days — except perhaps in his memories. Nor do I think that the people of Saskatchewan are any longer satisfied to do without the social and cultural opportunities which are possible in older societies. As our standard of living rises, as hours of work are reduced, we have time for a better and fuller life.

But we can't always buy these opportunities in the market place — even if each of us were equally able to afford them. Cultural and recreational services can best be provided — often can only be provided — by the community. So it is that broader opportunities are being made available to the individual citizen by community action.

The Saskatchewan arts board, for example, has assisted communities, through grants, to bring music, painting and handicrafts to their citizens. The government's adult education program has made available instruction in a wide range of subjects to thousands of people in the province.

Libraries too are being assisted by government aid. The north central regional library, which serves some 68,000 people, receives substantial operating grants from the province. Hon. members will be asked to vote funds for a demonstration library which will be used to stimulate interest in the formation of more library regions.

Some Hon. Members: — Hear, hear!

Hon. Mr. Brockelbank: — This year the province will make a substantial grant toward the Saskatoon Art Centre, as it did toward the Norman MacKenzie Art

Gallery in Regina. We will continue to support the Natural History Museum in Regina and the Western Development Museum in Saskatoon.

In addition to these cultural opportunities I have mentioned, we have embarked upon a program to greatly enlarge our recreation facilities. There are now 13 well-developed provincial parks, with more in the planning state, compared with eight 15 years ago. There are now 22 regional parks established by local communities with government aid, where three years ago there were none. They are now 230 camp and picnic sites on Saskatchewan's highways, where none existed a decade ago. Within a few years, no one in the province will be much more than an hour's drive from an adequate resort area.

Another achievement has been the establishment of Wascana Centre — a provincial centre for education, recreation, the arts, and government. This extends the original plan for the capital city developed by a far-sighted government over 50 years ago. Wascana Centre has received national, indeed international, acclaim.

Mr. Speaker, I have heard it said that the first function of society and of government should be to make man feel magnificent. We can only achieve this objective if we are prepared to broaden the opportunities available to our neighbors, and to guarantee to them the rights we want for ourselves. This is the reason the CCF party was formed in the first place and it is the reason for our existence today.

It is obvious to me and I think it is obvious to the people of this province, that positive government is achieving what the CCF said it would — a dignified, a better and more varied life for the individual. I know that every effort is being made to mislead people into believing that the opposite is the case; that we could eliminate many government programs without reducing the opportunities that are now available to the less privileged and the less prosperous. But the plain truth is that you can't go back without destroying the individual rights that have been achieved. I remind hon. members of what the great political philosopher, de Tocqueville, said:

Individualism is of democratic origin, and it threatens to spread in the same ratio as the equality of conditions.

What of the future? Mr. Speaker, we intend, as I think this budget testifies, to continue to do everything in our power to make available to the people of Saskatchewan greater opportunities — opportunities for employment and

March 1, 1963

security of employment, opportunities for adequate and assured income, opportunities for access to the basic needs of life, opportunities to enjoy the amenities of life, and opportunities to use leisure time in a pleasant and useful way.

To do all of these things, Mr. Speaker, we need a continually expanding economy. I am sure that everyone in Saskatchewan feels a real sense of satisfaction at the economic progress we have made, but that doesn't mean we can now relax. We must always seek new ways of stimulating our growth. It is for this reason that we are proposing in this budget a new plan for economic development in Saskatchewan — a plan which embraces both agricultural and industrial development.

Despite the progress which has been made in the agricultural economy, the farmers of Saskatchewan are still facing serious problems. These include the high costs of technological change, the failure of farm prices to keep up to farm costs, and uncertain grain markets. In an effort to cope with these problems a great many farmers are working toward greater diversification. Budgets of past years have included many measures, such as those I have already described, to assist in achieving this objective.

To assist further in meeting these problems the government is proposing a gross expenditure on farm programs, ordinary and capital, of \$11.2 million in 1963-64. This is an increase of \$3.8 million over the current fiscal year. Federal sharing to the extent of \$2.75 million is expected.

The principal emphasis of this program will be to expand our pasture and forage resources to meet the needs of a growing livestock industry. It will enable many smaller farms to become economic units. This budget includes \$2,666,000 for the acquisition of lands to be developed as community pastures and forage-producing areas. A further \$1,224,000 is included to make a substantial start on developing these areas.

In addition, \$795,000 is being provided to increase the number of drainage, flood control and irrigation projects, thereby reducing the amount of land which is kept out of production by too much or too little water. The budget also provides \$400,000 for a continuation of the clearing and breaking program. Funds will be made available again for shelter-belt planting and roadside grassing projects. We also plan to continue to encourage co-operative community pastures through earned assistance grants. Development projects like these will contribute greatly to diversifying and stabilizing production in the agriculture industry in Saskatchewan.

To serve the expanding livestock industry, a veterinary college is essential in western Canada. On account of central location and the veterinary research laboratory in Saskatoon, we believe that Saskatchewan is the appropriate place for such a college. However, this is not a decision which the government should make alone. It is a matter which must first be decided by the universities of western Canada and also by the governments concerned. We hope it will be built here.

Therefore, we in the government of Saskatchewan want to make clear our willingness to contribute toward the construction of a veterinary college as a part of our university. For that reason hon. members will be asked to vote a special grant of \$1 million to the university to be used for this purpose if and when the following conditions are met.

First, the university senate and board of governors would have to decide that they want a veterinary college in the university. Second, the other western universities should agree that Saskatchewan is the appropriate place for the college, and the participating governments should agree to contribute their fair share towards its operations. Third, the government of Canada will be expected to confirm its offer to contribute towards the cost of constructing and operating the college.

We hope that this project does proceed. The growth of the livestock industry demands it, Mr. Speaker, and we believe that there exists among the western provinces the kind of goodwill which will lead to an early decision.

Some Hon. Members: — Hear, hear!

Hon. Mr. Brockelbank: — This program for agriculture is one part of the government's economic development plan. The other is a program of incentives for industrial and resource development.

We are proposing, Mr. Speaker, to establish a Saskatchewan Economic Development Corporation, which will make available three types of assistance to new industries in the province — grants, loans and the provision of sites and buildings.

The industrial assistance grants will fall into three categories. First, the corporation will make grants to assist manufacturing industry in establishing new plants, producing new products or expanding their productive capacity. The grants will equal ten percent of the cost of eligible machinery and equipment which is purchased for these purposes. The eligible items will have to be defined by regulations, but I can tell hon. members now that we propose to use the same list as the federal government uses in its exemptions under the Federal Excise

March 1, 1963

Tax Act. All manufacturing operations which undertake new capital investment between \$10,000 and \$1 million in eligible machinery and equipment will qualify for these new incentive grants.

The second category of incentive grants provides for the sharing of the costs of industrial research. The economic development corporation will pay one-third of the costs of approved market and economic feasibility studies for new and expanding industries. It will pay one-third of the costs of technical research leading to the development of new manufactured products. These grants will supplement the government assistance being made available to the Saskatchewan research council. Hon. members will note that the government proposes to increase its grant to the research council by \$100,000.

Third, grants will be made to assist in the training of the labor force for new or expanded manufacturing operations. This is one of the "start-up" costs which new ventures encounter in new areas like Saskatchewan. We believe this is a cost which government should share.

The industrial assistance grants will be paid by the Saskatchewan Economic Development Corporation, with the approval of the Minister of Industry and Information. To finance this program in its initial stages hon. members will be asked to grant \$2 million to the new corporation.

The second main function of SEDCO, the new corporation, will be to make loans to industry — a function which is presently being performed by the industrial development fund. The establishment of an economic development corporation, which will have power to issue its own securities and which will be directed by both business and government representatives, will make it possible for us to extend the work of the industrial development fund which has operated successfully for the past 15 years.

The third function of SEDCO will be to assist in the provision of industrial sites and industrial buildings. We propose to authorize the corporation to acquire and to construct buildings which will be available to industries on a lease-purchase basis. It will also undertake land assembly and development programs which will assist industry in locating on favorable sites. It is expected that the corporation will work closely with municipalities in the development of this program.

To finance the loans and the industrial facilities which SEDCO will provide, the government proposes to make available the capital required, through the purchase of the corporation's securities.

In addition to these programs which will be administered by the new economic development corporation, we are also proposing certain incentives to encourage further growth of oil and mineral production. These will be administered by the Department of Mineral Resources. The incentives will take two main forms.

First, the government is proposing to provide additional incentives to the oil industry by amending the regulations governing the disposition of crown oil lands. These amendments have been discussed with the oil industry. The details will be announced by my colleague, the Minister of Mineral Resources. In broad outline they will provide for an extension of the term of exploratory permits, the introduction of more flexibility in the conditions of exploration, the granting of lease rights to deeper horizons on drilling reservations, and more generous drilling credits on leases.

Second, to further encourage prospecting and mineral exploration in the north, we propose to pay a part of the costs of approved air travel for this purpose. This assistance will be accompanied by grants equal to 25 percent of approved airborne geophysical surveys, and by the payment of 25 percent of the costs of approved access roads to exploration sites.

Finally, Mr. Speaker, to complement the SEDCO and mineral resources incentives, the government has an additional proposal. We intend to establish upon a rather more formal basis the advice and assistance which the Minister of Industry and Information has been receiving from businessmen within the province. To do this the government plans to establish an industrial advisory council which will advise both the minister and the corporation on the industrial development program.

My colleagues and I are enthusiastic about these measures. Over time we have, I think, built up a good program for economic development in Saskatchewan. The consolidation and extension of what we have done, in a new Economic Development Act, should provide a strong stimulus to the further development of the economy.

Having talked about the government's expenditure programs for next year, I want to turn to the question of the revenue sources which are being used to finance them.

We have heard a great deal about the tax levels in Saskatchewan. I am not going to repeat arguments we have heard many times in this house. We all know that tax levels in Saskatchewan are not the highest in Canada.

As long as government programs serve the needs of the people — and clearly they have been fashioned for this purpose — the really important thing is to levy the right taxes to finance them and to administer the programs effectively.

March 1, 1963

As to Saskatchewan's tax measures, our studies indicate that during the past 15 years there has been a moderate but a desirable shift in the overall impact of taxation in the province. Consumption taxes — the education and health tax, the gasoline tax and liquor profits — now are bearing a slightly larger proportion of total government expenses than they were 15 years ago. Since last year the same has become true of income taxes. It is, of course, truer still of resources revenues. Property taxes, on the other hand, are bearing a somewhat smaller percentage of provincial and municipal expenditures than they were.

Although the government maintains a constant review of its taxes, there is merit in the periodic examination of our whole tax structure — federal, provincial and municipal — to determine whether we have got the right kind of balance. For that reason we welcomed the appointment of the federal royal commission on taxation and we intend to co-operate with them fully. However, it is obvious that we cannot expect a federal royal commission to study provincial and municipal taxes without provincial participation; yet we can scarcely expect the commissioners to include provincial governments in their deliberations. To overcome this difficulty, the government has decided to appoint a Saskatchewan royal commission on taxation. Its purpose will be to co-operate with the Carter commission in making a comprehensive study of taxation by all levels of government in Saskatchewan. This can best be done by a commission which is created for the sole purpose of participating in and supplementing the work of the federal commission. We have been assured by the chairman of the Canadian commission that he would be prepared to work freely and openly with such a provincial commission. We plan, therefore, to appoint such a royal commission in the near future.

The second question with which governments must be concerned is whether their programs are being administered efficiently. We recognized this when we were elected, Mr. Speaker, and in 1946 we established a special agency to study the organization and management in the civil service. This agency, the budget bureau, has since that time been conducting regular studies to improve the efficiency of the public service. It has reviewed the organization of virtually every department at least once, and is currently re-examining the organization of some of them. It has also worked with departments in the establishment of more efficient operating procedures. These studies have led to the saving of many hundreds of thousands of dollars.

Hon. members will note my emphasis on continuing efficiency studies. Royal commissions may make a splash in this area, but they are no substitute for continuing surveys.

There are, however, some projects which can be conducted more effectively outside of government and these we would like to encourage. Studies in the field of public finance, of particular public policies, or of trends in government administration are greatly needed, and would likely be undertaken by specialists in public administration if monies were available to assist them.

To meet this need hon. members will be asked to vote \$1 million to establish a Saskatchewan public administration foundation. This foundation will be administered by a board of five to seven, including one representative nominated by the University of Saskatchewan and one by The Institute of Public Administration of Canada. The earnings of the foundation will be used by the board to give grants to people who submit worthy research projects. They will also be used to support special educational programs at the university. The projects must, of course, be relevant to the Saskatchewan scene.

One of the important results of this venture will be the development of greater interest in public administration on the part of Saskatchewan students. The really important prerequisite to efficiency in administration is good people in the public service. We expect this foundation will encourage more of our best students to enter the public service. This and the research sponsored by the foundation will help to insure efficiency and effectiveness in government administration.

This then, Mr. Speaker, is the budget for the next fiscal year. It is a budget that expresses the pioneer spirit of Saskatchewan. It is a budget that provides for new horizons in the economic development of our province. It provides new opportunities for our young people, help for the unfortunate, care for the sick, comfort for the aged and increased opportunity for good living for all. It is a budget, not of cold dollars only, but also of friendship, warmth and life.

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

Some Hon. Members: — Hear, hear!

Mr. A.H. McDonald (Moosomin): — Mr. Speaker, at the beginning of the Provincial Treasurer's address, he referred to the fact that it is only some 30 days away from his 25th birthday, or at least 30 days until his anniversary of being nominated as a candidate in the 1938 provincial election, and I would like to — yes, you do, you still look young — extend my congratulations and I'm sure I speak for all members of the house when I extend our congratulations to the present Provincial Treasurer. Any person who can survive 25 years of public life must have some good qualities, but I would like to draw the

March 1, 1963

attention of the house to the fact that the senior member of this legislature sits on this side of the house, and I refer to my good friend, the member for Arm River (Mr. Danielson).

Some Hon. Members: — Hear, hear!

Mr. McDonald: — I was a little disappointed in the Provincial Treasurer when he left the inference that he was nominated in 1938, and up until that time nothing had happened in Saskatchewan. The roads were bad in his area of the province, and he left the inference that conditions throughout Saskatchewan were bad. But let us think back to a period 25 years prior to the Provincial Treasurer being nominated. That would bring us back to the year 1913, and I would imagine that conditions in Saskatchewan in 1913 were much worse as far as services were concerned, throughout the whole of the province, than they were in 1938. But if we want to go back even another 25 years, which would only be 50 years ago, go back to 1888, I wonder what conditions existed, what services existed, and what conditions were in Saskatchewan 50 years before the Provincial Treasurer was nominated.

Mr. Speaker, this is a young province and I want to give credit to people who sat in this legislature, long before the Provincial Treasurer — to those people who took part in the public life in Saskatchewan from that period of 1888 to 1913. I think they made a tremendous contribution to the public life of this province. They supplied many of the services that are in existence in this province today. As a matter of fact, most of the services that are available to the people of Saskatchewan today were given to us by those people who served this province from 1888 to 1913, and I want to say that I think that those people who served in that 25-year period from 1913 to 1938 also made a great contribution to the province of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. McDonald: — The Provincial Treasurer in the early part of his remarks referred at some length to planning, and I couldn't help but think of the amount of planning that must have gone into the address that he delivered this afternoon. I can imagine that it has taken probably months to prepare this address; I would imagine that he has had help from his colleagues in every department of the government; that he probably had some help from several boards and commissions that exist; and I'm not complaining about that — I think a Provincial Treasurer ought to have a lot of help in preparing a budget to be presented to this house — but it is rather difficult for one lonely individual to take the budget address that was delivered today and adequately reply to it on Monday next, without any help. This is a tremendous problem. This is one of the problems that this province, other provinces in Canada, and our own dominion government must deal with. If you expect oppositions to do the job that they ought to do, then more facilities must be made available to the opposition. We ought to have some professional and some expert help in replying to an address such as the one delivered here this afternoon.

I am sure that my colleagues on the other side of the house will agree with this statement. If we are going to provide all of these services that the minister has outlined this afternoon, then surely to goodness we should have another million some place that can be made available to the official opposition in this house, no matter who it may be. My hon. friend who laughs shows his stupidity and his ignorance, or he wouldn't laugh. He underestimates the tremendous problem that confronts people in our position today. The business of government is growing every year and the facilities that are made available to the opposition ought to grow with it, and I make that appeal to this house at this time.

Later in the minister's address he referred to some of the statements that had been made by his colleagues and his predecessors with regard to the CCF party and their philosophy. I note throughout this whole address, he referred to his party as the CCF party; well, I thought we had buried the CCF a year or so ago.

Hon. R.A. Walker (Attorney General): — You bet that 12 years ago.

Mr. McDonald: — I never heard the word NDP mentioned.

An Hon. Member: — They are ashamed of it.

Mr. McDonald: — I never heard the word NDP or the letters NDP mentioned, and I would have thought that the minister would have refrained from reading some of the old diatribe that emanated from these people a few years ago because I have a book in my office, and I shall present it to this house on Monday next, containing some of the statements that came from the people, and their predecessors, who sit opposite us. I only wish that the people who now support this party had made similar statements five, ten, fifteen, yes, as much as twenty-five years ago, as the Provincial Treasurer made this afternoon, rather than the statements that they did make. Some of the statements that emanated ten and fifteen years ago from the people who sit opposite us have been more responsible for the lack of development, stagnation, in Saskatchewan than any other movement, and I want to refer to some of the statements. Here is one of them, and I quote:

The CCF believes that everyone should have a fair and just return for this work but anything over that was profit and the CCF does not believe that that belongs to the individual

March 1, 1963

Mr. Speaker, how on earth can you expect the people to come into the province of Saskatchewan and invest their money when the government that sits in office was telling the people that they were opposed to profit. Well, it is ridiculous.

Let us turn to some of the other statements that were made: "No CCF government would rest content until profiteers had been eradicated." This was a great invitation to capitalists from Saskatchewan, or from other parts of the world, to place their confidence and their money in Saskatchewan. I only wish that the Provincial Treasurer had been making the type of statements years ago that he made today, and providing the facilities to attract industry to our province.

An Hon. Member: — Dear federal tax.

Mr. McDonald: — I think it is a dead federal tax. I think the government should have finally realized that if they are going to develop Saskatchewan at the same pace that our neighboring provinces are being developed, then they must change their attitude, and I give them credit for having changed their attitude. I'm not complaining about it, I'm happy and I'm glad to see that this government have had this change of heart.

I was also very pleased to learn that this year we will have \$100,000 income from our investments, more than we are going to have to pay out in interest. When the minister made that statement I couldn't help but turn to page 52 of the Estimates that were tabled, and I notice we are voting again this year, \$27 million to pay the interest on the public debt. Then we have certain reimbursements that will come from some of our investments, but Mr. Speaker, what the Provincial Treasurer and his colleagues fail to realize is that this so-called reimbursements are profits from corporations that are extracting money at a high rate for their services from the people of this province. You either take it in this hand or this one, but it comes from exactly the same place — the people of the province of Saskatchewan.

I had hoped that when we had a good year, as the minister indicated, the best year in Saskatchewan since 1952, that this would mean that we could have some decrease in taxation. Whether the minister wants to admit it in his statement or not, any individual in Saskatchewan who wants to be honest with himself knows full well that Saskatchewan people are among the highest taxed on the North American continent.

Some Hon. Members: — Hear, hear!

Hon. W.S. Lloyd (Premier): — That is different from what you said last year.

Mr. McDonald: — That is different than what I said last year? That is exactly what I said last year and what I will say next year. The difference in tax rates in Saskatchewan and tax rates in Ontario, if you want to be honest. The most of the head offices, some of those companies who are represented by people who sat in this chamber this afternoon are not in the province of Saskatchewan. Those head offices, to a large part, are located in three provinces of Canada — British Columbia, Ontario and Quebec. We have no way of extracting any tax revenues out of these large companies, but the provinces of Ontario, British Columbia and Quebec have. This means, Mr. Speaker, that the tax burden on the average individual in Saskatchewan is as high or higher than any other jurisdiction, not only in Canada, but on the North American continent.

Some Hon. Members: — Hear, hear!

Mr. McDonald: — I note, from the estimates that were tabled at the beginning of the minister's remarks, that it has been anticipated that revenues from education and hospitalization tax will be some \$2 million higher than last year; from the gasoline tax some \$2.1 million; and you can go down the line and find that most of these revenues are estimated higher than last years; I think the reason for this is that last year's estimates were considerably below the actual return from them.

I am one of those who believes much as the Provincial Treasurer indicated this afternoon, that there is quite a possibility we could have a slackening off in our economy, especially in the fourth quarter of 1963. But I only wish that the Provincial Treasurer could have seen fit to present some tax cuts to relieve the burden of our people at this time. The Provincial Treasurer ended his remarks by saying that this budget was designed to endeavor to provide a better life for the people of Saskatchewan. And he said that in order to provide this better life then our economy must be greater diversified, so that new revenues will be available.

I want to tell the Provincial Treasurer that it is not only his party who have a desire to provide a better life for the people of Saskatchewan. I think that all political parties have that desire. I believe that Conservatives and Social Creditors believe that and this is their intention, this is what they would like to do. Sometimes it annoys me very much when those ladies and gentlemen opposite endeavor to leave the impression that Liberals are opposed to trying to lift the burden off some peoples' shoulders and to provide a better life for all of our citizens.

The only quarrel we have is the way in which you go about endeavoring to do this. We believe that our philosophy is better suited to providing a better way of life than yours

March 1, 1963

is, but we have equal desire with any person on that side of the house, or any person in Saskatchewan or in Canada, to see that these services are made available and at a price which we can afford, but the only thing I want to say is that the way we would like to see this brought about differs considerably from the manner in which you believe it can be brought about.

Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

SECOND READINGS

Bill No. 6 — An Act to amend the Jury Act

Hon. Mr. Walker moved second reading of Bill No. 6 — An Act to amend the Jury Act.

Hon. Mr. Walker: — Mr. Speaker, the Jury Act requires only a very minor amendment and it doesn't really change the law. The judges have in the past excused jurors who have become ill and accepted verdicts from 11 men instead of 12, but in order that there be no doubt about it we are proposing to provide expressly in the act for this eventuality, and that is what the present bill does.

With that word of explanation, Mr. Speaker, I move that Bill No. 6 be now read a second time.

Motion agreed to and bill read the second time.

Bill No. 7 — An Act to amend the Provincial Mediation Board Act

Hon. Mr. Walker moved second reading of Bill No. 7 — An Act to amend the Provincial Mediation Board Act.

Hon. Mr. Walker: — Mr. Speaker, the amendments to the Provincial Mediation Board Act are necessary mainly by reason of certain changes in the assessment legislation of the province, and there are no amendments which involve any important principle and which couldn't be just as adequately discussed in committee. Therefore, Mr. Speaker, I would move that the said bill be now read a second time.

Motion agreed to and bill read the second time.

Bill No. 8 — An Act respecting Hail Insurance by Certain Municipalities

Hon. Mr. Walker moved second reading of Bill No. 8 — An Act respecting Hail Insurance by Certain Municipalities.

Hon. Mr. Walker: — Mr. Speaker, the Municipal Hail Insurance Act represents a consolidation of the Hail Insurance Act plus all amendments.

At the present time the act only comes into operation in those municipalities which have, with the approval of the electors, enacted bylaws, which bring them within the operation of the act. The existing act also provides a means whereby any municipality may apply to withdraw from the act with the consent of the electors. That means, of course, that the insurance is not available to farmers in the municipalities that are excluded from the act. It is now proposed to dispense with the procedures mentioned, that is the provision for a bylaw to come under the act or a bylaw to exclude it from the act and to provide that all municipalities, except those listed in the schedule, will be subject to the act, and it will provide that individual owners of land in those municipalities that are not presently covered may apply to have their lands brought under the act, whether or not the municipality passes a bylaw. The proposed act also provides for the right of the individual owner, in the so-called bylaw municipalities, to withdraw their land from the operation of the act.

In other words, it puts the choice of coming under the act or being excluded from the act on an individual basis, without the necessity of the municipality itself taking any action. The act also provides that all municipalities of the province will be represented at the annual meetings of the association; at the present time it is only those who have bylaws in effect that are represented at the annual meeting.

Mr. Speaker, those are the principal changes in the act, and I may say that they have been asked for by the Municipal Hail Insurance Association and that these proposals have been submitted to the Association of Rural Municipalities and approved by that association.

So, Mr. Speaker, with that introduction, I may say that all of these principles lend themselves very well to being discussed, I think, in committee of the whole. They are part of a whole plan, but nevertheless it seems to me that the members of the house can go more fully into them to better advantage when the bill is in committee of the whole.

With that introduction, Mr. Speaker, I would move that the bill be now read a second time.

Motion agreed to and bill read the second time.

Bill No. 9 — An Act to amend the Bills of Sale Act, 1957.

Hon. Mr. Walker moved second reading of Bill No. 9 — An Act to amend the Bills of Sale Act, 1957.

Hon. Mr. Walker: — Mr. Speaker, this is an amendment to the Bills of Sale Act. It is really consequent on another amendment which is proposed to the Court Officials Act. It is proposed to provide a little

March 1, 1963

more flexibility in the closing of court houses to conform to public holidays, instead of prescribing the day in which they shall be closed in the act. It is proposed to prescribe that they may be closed by the Lieutenant-Governor-in-Council, and thus conform with the practice in other government offices. This is only the really important principle involved here, and I would move that the bill be now read a second time.

Motion agreed to and bill read the second time.

Bill No. 10 — An Act to amend the Rural Electrification Act

Hon. R. Brown (Minister of Industry and Information) moved second reading of Bill No. 10 — An Act to amend the Rural Electrification Act.

Hon. Mr. Brown: — Mr. Speaker, this is a bill to amend the Rural Electrification Act, and the amendment is required in order to deal with the program of electrification of Indian reservations which the corporation started last fall. Section 4 of the act reads as follows:

Farm means a grain farm, a dairy farm, a fur farm, a market garden, or horse, cattle, sheep or poultry ranch, or any land not within a city, town, or village, used for any purpose of a like nature.

In other words it describes a farm, and what we are asking here is to include also a reserve within the meaning of the Indian Act of Canada, as amended from time to time, and Section 5 deals with the definition of owners.

This is in order to authorize the corporation to provide service on the reservation on credit terms, the same as we do to farms, and we are, therefore, including reserves within the definition of a farm and we are including a council of a Band of Indians in order that the Band can sign for the loans which will be provided for the services which will be provided on the various reservations. That is the only change, Mr. Speaker, and I would therefore, move that Bill No. 10 now be read a second time.

Mr. W.R. Thatcher (Morse): — Mr. Speaker, I think we on this side of the house would certainly support the principle of this bill. I was just wondering, and maybe I could get the information later in committee, but I would like to know whether or not there have been conversations with the federal government in connection with this and whether

they are going to pay any portion of the cost involved in bringing electricity to the reserves, or will the Bands themselves have to pay the various charges involved.

Hon. Mr. Brown: — May I answer that as a question, Mr. Speaker.

Mr. Speaker: — You can answer it, but if you do answer it right now you would be closing the debate, so I would suggest that if there is any further question, you just make a note of it, Mr. Minister.

Mr. L.P. Coderre (Gravelbourg): — There could possibly be some other questions to be answered if it is going to be debated. There is one question that comes to mind: when the Band signs, as you say sign for those on the reserves, does that mean that they are collectively responsible as such, or is the council itself responsible. This is something that probably could be dealt with in committee, but as there is a question of principle involved there, I was just wondering.

Premier Lloyd: — Pardon me, I do want to rise on what seems to me a point of order, a point of procedure. We are getting dangerously close, to although we haven't actually arrived at, what should

Hon. Mr. Brown: — May I answer that as a question, Mr. Speaker.

Mr. Speaker: — You can answer it, but if you do answer it right now you would be closing the debate, so I would suggest that if there is any further question, you just make a note of it, Mr. Minister.

Mr. L.P. Coderre (Gravelbourg): — There could possibly be some other questions to be answered if it is going to be debated. There is one question that comes to mind: when the Band signs, as you say sign for those on the reserves, does that mean that they are collectively responsible as such, or is the council itself responsible. This is something that probably could be dealt with in committee, but as there is a question of principle involved there, I was just wondering.

Premier Lloyd: — Pardon me, I do want to rise on what seems to me a point of order, a point of procedure. We are getting dangerously close, to although we haven't actually arrived at, what should happen in committee, and I am afraid that the Leader of the Opposition or the member from Gravelbourg (Mr. Coderre) may get up later and say they haven't taken part in the debate; they just meant to ask questions. This is how we get into this sort of thing, and I really think we are getting into committee work rather than the debate on the principle on second reading.

Mr. Speaker: — I agree with you, Mr. Premier, that is why I tried to warn the members that the minister is answering these would be closing the debate.

Hon. Mr. Brown: — Mr. Speaker, in connection with the question of the Hon. Leader of the Opposition, the answer is, yes we have had a considerable number of discussions with the federal authorities, requesting them to participate in this program and to provide some financial assistance towards making this service available on the reservations but we have not been successful. The last communication we had from them was only a very short time ago and, in brief, it simply said that while they are in sympathy they do feel there are other things required on the reservation as well as electrification and due to the monetary limitation they feel that they cannot agree to participate at this time.

March 1, 1963

Regarding the question of the hon. member from Gravelbourg (Mr. Coderre), I believe he asked in connection about the Band signing rather than the individual — that was the gist of the question, I believe, and the answer is yes the Band has to authorize and approve of loans to the individual members of the Band and the council of the Band sign on their behalf.

I think that answers the two questions which were raised. If there are any other questions, they can be dealt with in committee and I will likely, if it would be of interest to the members, have copies of the policy with respect to power on reservations available at that time.

Motion agreed to and bill read the second time.

Bill No. 11 — An Act to amend the Lunacy Act

Hon. Mr. Walker moved second reading of Bill No. 11 — An Act to amend the Lunacy Act.

Hon. Mr. Walker: — Mr. Speaker, here there are some minor changes involving the practice of private committees of the estate of people who are not competent to manage their affairs. The government has been trying to encourage, as much as possible, private individuals who have an interest in the affairs of such persons to manage their affairs under a court order, without reference to the office of the administrator of estates, where that is possible. Consequently we are anxious that the procedures for protecting these estates be roughly similar to the proceedings under the administration of estates for the mentally incompetent.

Mr. A.T. Stone (Saskatoon City): — What bill are we dealing with?

Mr. Speaker: — Bill No. 11.

Hon. Mr. Walker: — It is, therefore, proposed that the administrator of estates be formally and officially notified of any person for whose estate a private committee is appointed so that there can be no interference between the administrator of estates and private committees. It is also proposed that the private committee will be responsible for filing a notice of his appointment against lands belonging to the estate. Formerly this duty rested on the registrar or clerk of the court. It was a duty which was practically impossible of fulfilment and can much better be done by the private committee himself.

The other changes are really procedural changes and are dependent upon the amendment to the Administration of Estates Act which are more substantial and will be coming along later.

And with that, Mr. Speaker, I would move that the bill be now read for the second time.

Motion agreed to and bill read a second time.

Bill No. 13 — An Act to amend the Credit Union Act, 1962

Hon. F. Meakes (Minister of Co-operation and Co-operative Development) moved second reading of Bill No. 13 — An Act to amend the Credit Union Act, 1962.

Hon. Mr. Meakes: — Mr. Speaker, these amendments have been asked for by the Saskatchewan Co-operative Credit Society and the Credit Union League. I think they are minor. One amendment will enable the directors of a credit union to borrow up to 100 percent of the value of the fixed term deposits which the credit union has with the co-operative credit society in the same way that a credit union now borrows against its shares in the society.

Another amendment would place such fixed term deposits in the category as shares in the credit society insofar as the maintenance of the credit union's reserves are concerned. This reserve has been maintained to meet withdrawals from credit union current account and may also, of course, include cash, government bonds and redeemable guaranteed investments certificates through the co-operative trust society.

The credit society has recently embarked on a policy of encouraging its member credit unions to invest in fixed term deposits rather than shares. The same interest rate will be paid on these deposits as on shares. One reason for this policy is that fixed term deposits may be withdrawn from the society by credit unions by giving an order some 30 days; while shares in the society can also be withdrawn, the total of such withdrawals by all members of the society shall not anyway near exceed ten percent of the paid-up capital in the society. It follows that fixed term deposits will ordinarily be more readily withdrawable. The amendments, therefore, Mr. Speaker, are of a technical nature but we feel are necessary in order to enable credit unions to exercise their full borrowing powers against their investments in the society. I might say that the procedures of credit unions will in no way be affected.

With these few remarks I will move the second reading.

Mr. Thatcher: — I am just going to ask a question, Mr. Speaker. I would like to know if the minister would say whether or not some credit union body asked for this particular legislation.

Mr. Speaker: — Order! I think you had better hold the question to get them all as you will be closing the debate. If no further questions, the minister may proceed to answer them. It is my duty to warn you that the minister will be closing the debate.

March 1, 1963

Hon. Mr. Meakes: — I think I said, Mr. Speaker, at the beginning that this was a request of the Saskatchewan Co-operative Credit Society and of the Credit Union League. They both requested it.

Motion agreed to and bill read the second time.

Bill No. 14 — An Act to amend the Co-operative Guarantee Act

Hon. Mr. Meakes moved second reading of Bill No. 14 — An Act to amend the Co-operative Guarantee Act.

Hon. Mr. Meakes: — Mr. Speaker, the intent of the amendment to this act is actually to make the act a little more flexible. These amendments were requested as a result of the Saskatchewan Co-operative Credit Society having asked for this and I might say they were also requested, reviewed and okayed by the Co-operative Guarantee Board.

Now, Mr. Speaker, I could go into them clause by clause but I do think it would be better done in committee. But I would say that there is no change in the maximum liability of the province for guarantees given to the society or to the trust company, the maximum peak being \$1 million. I do think it is better answering the questions in committee.

With those remarks I will move second reading.

Motion agreed to and bill read the second time.

Bill No. 15 — An Act to amend the Fire Prevention Act, 1954

Hon. Mr. Williams moved second reading of Bill No. 15 — An Act to amend the Fire Prevention Act, 1954.

Hon. Mr. Williams: — Mr. Speaker, the amendment to the Fire Prevention Act and the first three sections are more or less self-explanatory, but section 4, where section 17 in the act is repealed, refers to where the fire commissioner can authorize a town council or any municipal council to take necessary steps to do work required by the order — it might have something to do with removing explosives, combustible material from any building; it could be the installation of a fire-escape, or fire extinguishers, or fire alarms, or things of that kind. Now, we did in 1959 pass an amendment which was 29A in the act, giving the court exactly the same power as what the fire corporation has at the present time, and it is felt that that is perhaps the proper place for them so all that section 17, by virtue of this repeal, does is take that responsibility away from the fire commissioner. In fact section 17 has never been used.

The next is contained in subsection 3 of section 6. The only new part there is this, and it refers to oil burners, conversion burners, oil-burning stoves, that are used in connection with special heating — industrial or manufacturing installations that are not approved. Now, some of these large pieces of equipment — I am thinking for the moment of one that was installed in the mine down at Esterhazy — obviously they can't be, an enormous piece of machinery can't be put in the offices of the Canadian Standards Association and tried out and approved, and this gives the fire commissioner authority to have it installed after he inspects it. At the present time there is no authority for anything like that to take place.

Now the last section, section 7, is new. It gives prosecution for offences shall be instituted within two years after the date of the commission of the alleged offence. At the present time it is only six months. We find that our inspectors can't possibly get around to every place in six months and this gives them a period of two years. I might say that in the Electrical Inspection Act it is six years but we feel that two years should be enough in this case.

With that explanation, Mr. Speaker, I would move that Bill No. 15 — An Act to amend the Fire Prevention Act be read a second time.

Mr. Coderre: — Mr. Speaker, there are some sections of the act which I find are rather disagreeable because you will find that this will authorize someone to go on someone's personal property to do some repairs, at least if my interpretation is correct, and with just these few words I would like to adjourn this debate to further look into this matter because it does seem that it does give the authority when there are repairs to be made for a municipal council to go ahead, or someone else to enter that property and to repair it. It seems to be an infringement of some rights. And I think with that in mind, Mr. Speaker, I would like to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 4:50 o'clock p.m.