

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**First Session — Fifteenth Legislature**  
**12th Day**

**Friday, February 19, 1965.**

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

**WELCOME TO STUDENTS**

**Hon. G.J. Trapp (Minister of Education):** — Mr. Speaker, before the Orders of the Day, I would like to welcome a group from Moose Jaw, in the west gallery. They are here with their instructors from Moose Jaw Technical Collegiate, Mr. Wakarchuk, Mrs. Keerak, and Mr. and Mrs. Van.

I met this group at noon and had a little chat with them. I never met a more delightful group, in fact, they were a group who made me feel a little homesick for the classroom. I want to welcome them here this afternoon and I hope they will enjoy their visit to the legislative assembly on this day.

**Hon. Members:** — Hear, hear!

**CORRECTION OF ARTICLE IN LEADER POST**

**Mr. E. Whelan (Regina North):** — Mr. Speaker, before Orders of the Day, I would like to correct an item that appeared in the Leader Post last night, February 18th, 1965, under the heading, "Provision for Cabinet Secretaries", paragraph 6 reads:

It is also believed that the legislative secretaries will receive some payment in addition to their \$8,000 a year sessional indemnity and expenses.

Although I realize the working press of the Leader Post thinks that all hon. members are worth this amount, I want to point out in correcting this, that I am not suggesting that there has been a budget leak. I want to make it absolutely clear that the correct figure is \$6,000, \$4,000 indemnity, \$2,000 for expenses. The take home pay is \$5,500, It is paid once a year.

**Some Hon. Members:** — Hear, hear!

**ANNOUNCEMENT RE MASSEY-FERGUSON CURLORAMA**

**Mr. T.M. Weatherald (Cannington):** — Mr. Speaker, before we proceed with the Orders of the Day, I would like to call to your attention that a rink from my constituency and my home town last evening won the Massey-Ferguson Curlorama. This bonspiel is sponsored for the farmers of this province by Massey-Ferguson, and I am particularly excited that Paul Palendat of Wawota has won this event.

I am also delighted to be able to make this announcement because my brother is playing on this rink.

**Hon. Members:** — Hear, hear!

**DANNY FINK RINK — HIGH SCHOOL CURLING CHAMPIONSHIP**

**Hon. G.B. Grant (Minister of Highways):** — Mr. Speaker, before the Orders of the Day are proceeded with, in tune with the previous announcement, I would like to announce that the Danny Fink rink brought honors to Regina, having won their game in the Canadian High School Curling Championship this morning with a score of 9 to 1. This is an honor that has come to Regina before and we are very, very happy to have it back with us again.

**Hon. Members:** — Hear, hear!

**Mr. H.H.P. Baker (Regina East):** — Mr. Speaker, I want to endorse what the hon. member for Regina South, (Mr. Grant) has stated with regard to the Fink rink. I just got a note on my desk that they are returning back to Regina tomorrow evening, and I would hope that this legislature and all the people of Regina would get out to give them a real welcome.

**Hon. Members:** — Hear, hear!

### WELCOME TO STUDENTS

**Mr. W.G. Davies (Moose Jaw City):** — Mr. Speaker, I, too, would like to join with the Minister of Education, (Mr. Trapp) in welcoming the students from the Moose Jaw Technical High School. Also I would hope that they find this afternoon interesting and informative, but I would hope that they would be able to return on another occasion when certain matters will be dealt with this afternoon will be treated more fully.

**Some Hon. Members:** — Hear, hear!

### MESSAGE FROM HIS HONOUR THE LIEUTENANT GOVERNOR

**Hon. W. Ross Thatcher (Premier):** — Mr. Speaker, I have a message from His Honour the Lieutenant Governor.

**Mr. Speaker:** — His Honour the Lieutenant Governor, R.L. Hanbidge, the Lieutenant Governor transmits estimates of certain sums required for the services of the province for the twelve months ending March 31st, 1966, and supplementary estimates of certain sums required for the service of the province for the twelve months ending March 31st, 1965, and recommends the same to the consideration of the legislative assembly.

**Mr. Thatcher:** — Mr. Speaker, I move, seconded by the Hon. Minister of Agriculture, (Mr. McDonald), that:

His Honor's message, the estimates and supplementary estimates be referred to the Committee of Supply.

Motion agreed to.

### BUDGET ADDRESS

**Hon. W. R. Thatcher (Premier, Provincial Treasurer):** — Mr. Speaker, it is my privilege today to introduce to this legislature, the first budget of the new Liberal government.

I make the Motion of Supply as Provincial Treasurer.

A budget, Mr. Speaker, is more than a report on what has happened in the past year, and a prediction of what is likely to happen in the year ahead.

Liberals believe the budget is a clear indication of the kind of principles the government intends to pursue in the coming months, as well as the rationale of those promises that a political party makes to the electorate.

In formulating this budget, I have kept the following factors in mind:

- (1) The election promises made by the Liberal party last April
- (2) The beliefs of the government that taxes in Saskatchewan are dangerously high, as compared to the rest of Canada.
- (3) That adequate development will only take place in Saskatchewan when a completely new political and economic climate is created.
- (4) That much remains to be done to improve living standards for our people.

This government believes that a greater investment of private capital in Saskatchewan is the one step that is vital in the achievement of every economic and social goal which we hold dear.

We passionately believe that only private enterprise methods will achieve this much needed investment.

We are convinced that industrialists will establish in Saskatchewan for only one reason — because it is profitable for them to do so.

This government, therefore, will endeavour to:

- nourish our investment climate
- take care of our investment worthiness
- improve our methods of attracting new capital.

In every field of commercial endeavour, we propose to explore and provide incentives for risk-taking and development. We intend to keep the burden of taxes and regulations at the lowest possible level.

By so doing, we think we can obtain new mines, new oil wells, new manufacturing plants, new businesses, on a far more comprehensive scale.

This process will substantially increase job opportunities, and assist in keeping our people at home.

Moreover with more industries and more people, we shall broaden the basis of taxation, which will provide the revenues for expanding our educational, cultural, transportation and health and welfare services.

### **NATIONAL AND INTERNATIONAL TRENDS**

Before reviewing the economic situation and outlook in Saskatchewan, I should like to examine briefly some of the developments at the national and international level, which may have some bearing on the course which the provincial economy follows this year.

At the international level, our attention is concentrated largely on the United States, which enjoyed a boom year in 1964, with Gross National Product advancing over 1963 by seven per cent in terms of current dollars.

The generally favourable condition of the United States economy augurs well for Canada, since that nation is by far the largest customer for our exports and, in addition, is the source for much of the capital required in the development of our resources.

The long and vigorous expansion in Western Europe appears to be slowing down, due chiefly to the economic difficulties which continue to plague the United Kingdom.

On the other side of the world, Japan continues to enjoy a healthy rate of growth, and Canada's trade with that nation may be expected to expand further.

Canada's total exports advanced strongly in 1964. At the end of eleven months, exports had increased by more than eighteen per cent over the corresponding period of 1963.

The National economy as a whole has enjoyed a very good year. On the basis of latest available estimates it seems reasonable now to expect final GNP figures for 1964 to register a gain of at least eight per cent over 1963 and reach a level of about \$46,500,000.

Happily, the high level of business activity has meant that the number of unemployed in Canada has fallen to less than five per cent of the labor force.

In our opinion, this level is still unacceptable, and there must be no relaxation of effort in seeking to reduce still further the numbers of Canadians out of work.

We must also continue our endeavours to bring to all Canadians their rightful share of the benefits which this country of ours has to offer.

Turning to 1965 we can see good cause for optimism.

There are, to be sure, a number of weak spots, which may occasion concern in future months, and which certainly will require watching.

On the whole, however, the outlook in Canada, as in the United States, is full of promise, and we can look forward to another year of growth, if at a somewhat reduced rate than that prevailing in 1964.

Consumer spending should reach a high level again, with expenditures on non-durable products and services particularly strong.

There is also the possibility of renewed vitality in the household goods sector, spurred by increased house building, and by the coming of age of children born during the last war.

All in all then, the consensus is that we can look to 1965 with hope and expectations for continued expansion and better living standards for Canadians.

### **THE SASKATCHEWAN ECONOMY**

I turn now to review what has happened in Saskatchewan and what is likely to happen in the immediate future.

#### **GRAIN PRODUCTION**

The record sales of wheat brought home to our farmers, in monetary terms, the benefits of the bumper crop of 1963.

Farm cash income is estimated to have reached the record level of \$860,000,000. Twenty-five per cent ahead of the 1963 level, and fifteen per cent above the previous high of 1953.

Not surprising, the 1964 crop was substantially below that of the previous year.

Yet at 348,000,000 bushels, the wheat crop was well above the ten year average, thus ensuring a good supply of grain available to the Canadian Wheat Board for future sales.

#### **1965 AGRICULTURE PROSPECTS**

In 1965, one of our concerns will be our ability to sell wheat.

Last year's crops in most of the wheat growing countries of the Northern Hemisphere were appreciably better than in 1963. Better crops were also harvested in Australia and Argentina.

The recent drop in the price of wheat was in reaction to these large supplies available on the world market. This price decline without doubt will adversely affect our producers.

Nevertheless, our agricultural industry is in a very healthy state, and further downward price adjustments are not expected.

The heavier than usual snowfall, which we have experienced this winter, should ensure good moisture conditions for the coming crop year.

Wheat production remains the single most important industry in the province.

However, the government believes that greater diversification, particularly into hogs, would benefit the farmers.

We also believe that the production of sheep holds possibilities for further increasing farm profits.

#### **NON AGRICULTURAL SECTOR**

Many records were established in the non-agricultural sector of the economy in the past year.

The value of mineral production continued to advance and reached an estimated \$290,000,000.

Total public and private investment rose more than six and one-half per cent to \$828,000,000.

Construction activity also set a new high, advancing seven and one-half per cent to \$473,000,000.

Four thousand, six hundred and fifty new homes or dwelling units were commenced in Saskatchewan during 1964, as compared to 3,575 in 1963, an increase of thirty per cent.

The value of electric power continued its steady climb.

Manufacturing activity increased, but at a pace which we consider quite unsatisfactory.

Retail trade, according to latest estimates, rose by 10.3 per cent to an all-time record of \$1,156,000,000, and in so doing, registered the largest year to year percentage gain since 1953.

Total gross value of commodities produced in Saskatchewan was well below the record of 1963. This was the result of a return to a more nearly average crop.

Agriculture was the only sector to show a decline. The other sectors all registered increases.

### **PERSONAL INCOME**

The relative decline in agricultural production was reflected also in personal income which is estimated at \$1,661,000,000, well below the heady heights reached in 1963, but still more than \$200,000,000 above the average for the last five years.

### **POPULATION**

During 1964, Saskatchewan's population gained approximately 10,000, to reach an estimated total of 949,000 as at December 31st, last.

This was the best increase for some years, but the government regards the increment as wholly unsatisfactory.

In the near future, the government will endeavour to take action which will retain the natural increase of this province, and attract other citizens from Canada and other parts of the world.

### **FUTURE**

I am optimistic, Mr. Speaker, as to our economic future.

Saskatchewan has untold natural resources waiting for development.

But this development will not materialize if we sit and wait for it to happen. We must pursue development, encourage expansion, and give investment whatever help we can.

### **MINERALS**

Mr. Speaker, the government which came to office last spring has taken numerous steps to foster the development of the great mineral resources of the Precambrian shield.

Our incentive program for mineral exploration introduced late last year, has in a few months absorbed an amount exceeding the sum we had originally planned for this budget.

Prospecting activity has increased far beyond our expectations.

Already, we have seen the start of a major new copper mine in the area near La Ronge, and others will follow.

There are indications that activity in the long dormant uranium fields may occur during 1965.

### **OIL**

In an effort to encourage oil development more in line with Alberta, the government has introduced a new incentive program.

It is hoped that these incentives may lead to discoveries in the hitherto untapped deeper fields.

In addition, the government last autumn approved a new set of regulations covering the exploration and development of Saskatchewan's oil shales.

Results so far are most encouraging.

### **GAS**

We have also taken action to encourage the exploration for gas in Saskatchewan.

The long cold winter has shown Saskatchewan how vulnerable our industries are to a gas shortage.

By discontinuing the S.P.C. monopoly, and by permitting the exploration companies to obtain a competitive price we have provided a much needed incentive.

The government is also giving consideration to allowing private enterprise to build several gas lines into northern Saskatchewan for delivery to S.P.C.

There are many other exciting new developments in the resource field which I might mention, Mr. Speaker, but time does not permit.

### **POTASH**

I would be remiss, however, if I did not mention the further progress that has been made in the last twelve months in the development of our potash reserves.

The day is not far distant, Mr. Speaker, when this province will rank as the most important producer of potash in the world, and when potash will rank second only to wheat among Saskatchewan products.

Production of this mineral began in Saskatchewan, only a little more than two years ago — yet in 1964, value of production will exceed \$30,000,000.

Two mines are in operation, with a third about to resume production shortly.

Three other companies have begun work on their deposits.

The government is negotiating with other potash mining companies.

### **PULP AND PAPER**

It is premature to talk about pulp development, in view of the many disappointments and frustration of the past two decades.

However, the government is vigorously pursuing leads in this field, which we hope may prove fruitful in the months to come.

### **MANUFACTURING**

But we do not intend, Mr. Speaker, to see this province become a producer of only raw materials.

We have long argued that the growth of manufacturing in this province has been too slow.

This government is taking appropriate action to stimulate and encourage the establishment of secondary industries in Saskatchewan.

In particular, it will be prepared to make and guarantee loans to industry during 1965 on a massive scale, if they are needed to attract industrial plants.

In short, Mr. Speaker, it would appear that in a climate of "private enterprise" Saskatchewan is on the verge of a rapidly expanding industrial development.

Instead of exploring thousands of people year after year, there is every indication that we shall soon have a major labor shortage.

### FISCAL POSITION

In his budget speech of last year, the hon. member for Kelsey, (Mr. J.H. Brockelbank) then Provincial Treasurer, forecast a budgetary surplus of \$444,000. Actually the figure will be higher.

Our latest forecast is that it will be in the neighborhood of \$5,500,000.

### ANTICIPATED REVENUES

In the current fiscal year, revenues are anticipated to exceed the estimates by over	\$	12,000,000
Receipts from the education and health tax will exceed the original revenue estimate of	\$	44,700,000
by over	\$	4,000,000
Gasoline tax receipts should reach	\$	31,700,000
\$1,000,000 above the original estimate.		
Oil and gas royalties will reach a record level of	\$	21,000,000
some \$2,000,000 above the original estimate.		
Bonus bids for oil will exceed	\$	7,000,000.
Liquor profits will be about	\$	16,200,000.
Receipts under the Federal-Provincial tax agreements are expected to be up by	\$	2,000,000
over the original estimate to a total of	\$	57,000,000
All other revenue sources will likely exceed the original estimates by about	\$	1,500,000.

### ECONOMY DRIVE

When this administration took office in late May of last year, we took immediate action to curb government spending.

I would like to point out that these temporary and immediate courses of action yielded substantial savings to the taxpayers of the province amounting to more than \$6,500,000 in the budgetary expenditures.

The government expects that in the current year, when the Johnson Commission recommendations are implemented, far more than this sum will be saved annually.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** —

### INCREASED EXPENDITURES

However, the government experienced a number of uncontrollable expenditures, and expenditures committed by the previous administration, for which no provision was made in the budget.

Some of these major over-expenditures include . . .

The general provincial election which cost	\$	500,000
Fire suppression, which exceeded the budget estimate by	\$	1,000,000
The bred gilt and sow program which cost over	\$	250,000

Hog marketing plebiscite	\$ 29,000
Weyburn and Estevan Water Studies	\$ 142,000
Municipal Road Assistance Authority (replacement of 5 scows)	\$ 110,000
Wascana Centre Authority, (capital projects)	\$ 105,000
Purchase of Kilburn Hall property, Saskatoon	\$ 95,000
Emergency Assistance for transporting hay and fodder	\$ 120,000

### **SUPPLEMENTARY EXPENDITURES**

Some other expenditures have been increased as well.

The house will be asked to approve an advance capital grant of \$2,000,000 to the University of Saskatchewan and an operating grant of \$1,000,000.

These grants will assist the University to finance the operating costs and the large capital building program, to accommodate the increased student enrolment at both the Regina and Saskatoon campuses.

The government has decided to use part of the surplus funds to accelerate provincial and municipal capital projects.

Highways capital program has been increased by almost \$1,500,000 including provision for industrial and northern development roads.

In addition, we will request \$300,000 in the supplemental estimates to begin construction of the Island Falls Road.

Municipalities will also receive \$500,000, in additional grid road grants.

L.I.D.'s will receive an additional \$100,000 for market roads.

An additional \$400,000 has been paid to municipalities for new water and sewage systems.

Land acquisition for the South Saskatchewan Irrigation Project will require an additional \$200,000.

It would be irresponsible indeed to dispose of any of these without first ensuring that essential services will be maintained. Moreover, the government must make sure that the people of Saskatchewan will not suffer undue financial losses or reduced employment through their discontinuance.

Consequently, the approach of the government has been to make the operations as efficient as possible, and to continue their operation while the government proceeds with a careful analysis of the alternatives available in each operation.

### **GOVERNMENT INSURANCE**

It appears evident, at this time, that the Saskatchewan Government Insurance Office, because of the nature of services provided, will be continued. The only significant change in operating policy will be to remove some of the monopoly advantages.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** — Schools, hospitals, sanatoria, etc., which heretofore were obligated to buy their insurance from government insurance, will be able to buy it from the company where they can obtain the cheapest price.



## **BUS COMPANY**

Much the same is true of the Saskatchewan Transportation Company.

With the danger of rail line abandonment, in some communities the bus company assumes new importance. The government may remove some of the monopoly privileges where charter routes are concerned, but the company will be continued.

The government will ask and expect management to show a better net return during 1965.

## **SASKAIR**

Saskair does provide some essential transportation services to an area of the province which we are committed to develop. On the other hand, there is no scarcity of privately-owned aircraft in northern Saskatchewan to provide both public and government requirements.

Modest profits this year were almost entirely due to fire fighting revenue.

If the essential public services can be provided by private enterprise at no greater cost to the provincial treasury, and if the government receives a fair price for the assets of Saskair, the operation of Saskair will be discontinued.

The remaining corporations: Saskatchewan Timber Board; Saskatchewan Guarantee and Fidelity; Saskatchewan Sodium Sulphate; Estevan Clay Products; Saskatchewan Government Printing operate in areas which, we think, might better be served by private enterprise.

## **SASKATCHEWAN TIMBER BOARD**

Many of the monopoly provisions of the Saskatchewan Timber Board have now been removed.

Private enterprise is being invited to establish in our northern areas.

From this time forward, the company will be expected to stand on its own feet.

## **SASKATCHEWAN GOVERNMENT PRINTING**

Saskatchewan Government Printing also will be expected to meet competition in the future.

This year, the Queen's Printer has been asked to spread a minimum of \$100,000 worth of government printing among weekly newspapers.

Next year, it is hoped to increase this amount.

Indications are that such procedure will save the taxpayer money and at the same time, strengthen the weekly newspapers of the province.

## **ESTEVAN CLAY PRODUCTS**

This company has had a long and unhappy history.

Total government investment now	\$	800,000
Total losses for the year 1963 were about	\$	196,000
The 1964 picture is better, but losses are still expected to be about	\$	48,500

So far, no private enterprise company has shown much interest in purchasing the plant.

## **SASKATCHEWAN GUARANTEE AND FIDELITY**

This is another company which receives much of its business by

monopoly provisions, or re-insurance contracts from S.G.I.O.

In the past, Mr. Speaker, very substantial losses were hidden by some sort of equalization payment from the Saskatchewan Government Insurance Company.

In our opinion, this action by the previous government was most misleading. This year, Saskatchewan Guarantee and Fidelity will lose \$207,000.

A Montana side-operation has had substantial losses from the beginning.

The government would like to sell this company, if a fair price can be obtained. Failing this, we will consider winding up the whole operation.

In all these cases, no hasty action will be taken. It is our view that changes from public to private ownership should be phased in with other new industrial development, in such a way as to minimize any disruption in employment, and any capital loss which may have to be sustained.

There are some other companies largely financed with government funds through the Industrial Development Fund.

### **WIZEWOOD**

One of these is the Wizewood Plant at Hudson Bay. This operation has been in trouble since its inception.

Total government investment in the plant now is approximately \$2,900,000.

Last year, had depreciation been taken, losses would have approximated \$295,000.

In actual fact, the plant is in serious financial condition and since by far the largest equity is owned by the government, we are trying to dispose of it.

At the same time, every effort will be made to continue the operation, and expand employment.

There are, Mr. Speaker, however, certain vital areas where the return on investment would not attract the private investment that is necessary to service the diverse population of the province, and the growing needs of industry.

The two notable examples in this regard are production and distribution of power and the provision of telephone services.

In Saskatchewan, these two services have traditionally been provided by government-owned utilities, either provincial or municipal.

### **SASKATCHEWAN GOVERNMENT TELEPHONES**

This company is a well-managed entity.

It has been in the throes of widespread expansion for some years.

The previous government began a policy of taking all profits into the budget, which has forced the company to finance largely by borrowings.

In 1965, the government will assist the Saskatchewan Government Telephones to finance a \$17,900,000 capital program, by borrowing the \$12,000,000 for the Corporation.

This compares with the total originally approved capital program of \$15,300,000 and authorized borrowing of \$14,100,000 in 1964.

The approved 1965 program will provide for the conversion of twenty additional community dial offices, bringing the total number of dial offices to 142.

Ninety-two point five per cent of the Corporation's system will be dial operated by the end of the year.

It is estimated that the number of telephones will increase by almost seven per cent to a total of 245,000 telephones.

Moose Jaw and Swift Current are scheduled to be connected to direct distance dialling, so that by the end of 1965, some fifty-seven per cent of the customers will have rapid access to long distance facilities in North America.

This program will enable Saskatchewan Government Telephones to expand its facilities and to utilize the most up-to-date communications system to meet the growing demands of industry and commerce, as well as the personal needs of the citizens of the province.

### **SASKATCHEWAN POWER CORPORATION**

The Saskatchewan Power Corporation has a virtual monopoly in the distribution and production of gas and power.

I have said on numerous occasions the government is not satisfied with the rate of return on investment, for this utility. Moreover, we would like to see a much higher rate of expansion through profits instead of borrowing.

In the past year, a new Board of Directors was chosen, men known for their business ability. Moreover, a new temporary manager was appointed, pending the selection of a permanent head, and he has done a fine job.

Both the board and management were requested to make every effort to improve efficiency, reduce operating costs, and to assess the economics of any proposed capital projects.

In 1965, we forecast that power consumption will increase by 16.3 per cent to 2.1 billion kilowatt hours.

Gas consumption will increase by 16.8 per cent to 46.6 million cubic feet.

The capital program in 1965 will be \$33,800,000.

The capital program is somewhat reduced from 1964 because the government has been able to negotiate with Trans-Canada Pipelines, a contract for the transmission of additional gas requirement, thus avoiding a \$55,000,000 capital expenditure.

Capital requirements for the acquisition, drilling, and gathering of gas reserves will be eliminated under the new policy, to encourage private gas producers to market gas to the Saskatchewan Power Corporation at competitive prices.

The borrowing requirements in 1965 for the Saskatchewan Power Corporation will be reduced by \$6,300,000 to an amount of \$28,500,000. This reflects the reduced overall capital program of the Corporation in 1965.

In addition, steps taken by the Board of Directors and the management of the Corporation to effect operating economies, should result in a sizeable increase in profits from the original estimate of \$4,800,000 for 1964, to a preliminary 1965 estimate of profits of \$6,400,000.

All of these increased profits will be retained by the Corporation, thus reducing further the amount required by borrowing.

The 1965 program provides for the start of installation of two forty megawatt units at the Squaw Rapids Hydro Plant.

The installation of the three 62.5 megawatt units at the

BUDGET SUMMARY 1965-66 and 1964-65			
Budgetary Transactions			
Budgetary Revenues	\$220,995,530		\$214,876,150
Budgetary Expenditures			
Ordinary	<u>220,745,570</u>		<u>214,432,150</u>
Capital	\$186,419,090	186,981,880	
	<u>34,326,480</u>	<u>27,450,270</u>	
Surplus		\$249,960	\$444,000
NON-BUDGETARY TRANSACTIONS			
Disbursements			
Gross Sinking Fund Payments	\$17,774,810	16,784,220	
Less reimbursements from			
Saskatchewan Power Corporation and			
Saskatchewan Government			
Telephones	<u>16,797,170</u>	<u>15,806,580</u>	
Debt Redemption Payments	977,640	977,640	
Loans to and Investments in Crown	24,092,100	12,652,300	
Enterprise	41,950,000	50,900,000	
Other Loans and Advances	<u>10,164,000</u>	<u>8,679,000</u>	
	\$77,183,540		\$73,208,940
Less: Receipts			
Repayment of Loans and Advances			
(Crown Enterprises)	\$21,793,990	\$11,488,000	
Repayment of other loans	504,680	384,050	
Proceeds from Sinking funds	<u>1,020,000</u>	<u>1,150,000</u>	
	23,318,670	13,022,050	
Amount to be obtained by borrowing			
Saskatchewan Power Corporation	\$26,300,000	\$32,800,000	
South Saskatchewan River Dam	2,200,000	2,000,000	
Saskatchewan Government Telephones	12,000,000	14,100,000	
Loans under the Municipal			
Development and Loan (Saskatchewan			
Act)	<u>9,000,000</u>	<u>6,000,000</u>	
Excess of Non-Budgetary	<u>49,500,000</u>		<u>54,900,000</u>
Disbursements over Non-Budgetary	<u>72,818,670</u>		<u>67,922,050</u>
receipts			
Net Cash to be Obtained by Reducing		4,365,070	5,286,890
Cash Balances		<u>\$4,115,110</u>	<u>4,842,890</u>
Requirement for Debt Redemption are net, in large part by repayments of loans and sinking fund proceeds totalling \$22,813,990.			

South Saskatchewan Hydro Project has been unavoidably delayed one year.

Preliminary work is also proceeding at Nipawin to investigate the feasibility of another hydro dam in that area.

Consideration is being given to determine the economics of a major expansion of the existing generating capacity at Boundary Dam.

I say again, that this government believes that most competitive business should be left to private enterprise. In the years ahead, Mr. Speaker, we shall act accordingly.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** — Hear, hear!

### **CAPITAL FINANCING 1964-65**

I should now like to say a few words about our "capital financing".

During 1964, the province of Saskatchewan borrowed \$60,800,000, an increase of \$3,300,000 over the previous year.

These funds were obtained from the following markets:

\$40,000,000 from the Canadian long-term bond market;

\$5,000,000 from the Canadian mid-term bond market;

\$13,800,000 from the Saskatchewan Savings Bond Market;

\$2,000,000 from the sale of a Treasury Bill to the Government of Canada (to finance 1/8th of this year's expenditure on the South Saskatchewan River Dam).

With your permission, Mr. Speaker, I should like to include a list of 1964 debenture issues;

#### **Debentures 1964**

<b>Date</b>	<b>Maturity</b>	<b>Coupon</b>	<b>Payable</b>	<b>Amount</b>
Jan. 15, 1964	Jan. 15, 1984	5-1/2%	Canada	\$10,000,000
	Jan. 15 1994	5-1/2%	Canada	5,000,000
Mar. 15, 1964	Mar. 15, 1974	5-5 1/2%	Canada	13,861,200
July 15, 1964	July 15, 1969	5 5-1/2%	Canada	5,000,000
	July 15, 1985		Canada	10,000,000
Dec. 1, 1964	Dec. 1, 1985	5-1/2%	Canada	15,000,000

Mr. Speaker, it is interesting to note that the January 15, 1964 issue was offered to the public to yield 5.59% on the twenty year debenture, and 5.58% on the thirty year debenture.

The July 15, 1964, twenty-one year issue was offered to the public to yield 5.56 per cent.

The recent December 1, 1964, twenty year debenture issue was offered to the public to yield 5.50 per cent. One tenth of one per cent less cost to the province than the January 15 issue.

We believe the interest rate has gone down at least partially because the credit rating of the province has improved.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** — The government believes that as a matter of policy, we should borrow in the Canadian market

We hope that the federal government and the Bank of Canada will continue their efforts to reduce the spread in interest rates, between Canadian and United States markets.

We have deliberately followed such a course in the past year and expect to do so in 1965.

As has already been announced in the House, as has been the case in the past four years, the people of Saskatchewan will again be given the opportunity of investing in the development of their own province.

Saskatchewan Savings Bonds Series No. 5 will go on sale Monday, March 1st.

### **1965-66 EXPENDITURES**

This government has repeatedly emphasized how important it considers "tax reduction." At the same time, we recognize that there are vital programs which will require sharply increased spending, not a reduction.

It is the duty of the government to establish priorities. We must use the funds given us by the taxpayer, for maintaining and improving needed programs.

I turn to some of the fields where the government feels increased expenditures are vitally needed.

### **EDUCATION**

The government regards education as an investment in the future potential growth of the province.

The 1965-66 budget for education will reach a record level of \$61,600,000, almost \$5,000,000 above the 1964-65 appropriation.

This does not include capital borrowing for expansion of the University. Nor does it include the prepayment of \$3,000,000 in operating and capital grants to the University, provided for in the supplementary estimates.

### **PUBLIC SCHOOLS**

Grants to schools are being increased by \$4,200,000 from \$42,000,000 to \$46,200,000, thus relieving municipalities of what otherwise would increase the burden on property taxes.

The operating grants will cover 49.3 per cent of total operating costs of the public school system.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** —

### **PRIVATE SCHOOLS**

This government has been concerned that private schools have received inequitable treatment in the past. Grants to private schools been provided in the budget for the first time, costing \$140,000.

### **TECHNICAL SCHOOLS**

To meet the growing demands for skilled tradesmen, and semi-professional and technical people, the government proposes to expand the vocational and technical facilities in the province.

We shall try to encourage more of the youth and adults of this province to acquire the necessary skills and competence.

One million dollars has been included in the "grants to schools" sub-vote, for the purpose of supporting the building of vocational

education accommodation by local school authorities.

Major projects are being planned by the Yorkton College Board, the Lloydminster School Board, and the Regina Separate High School Board. Other centres such as Estevan, Swift. Current, North Battleford and Moose Jaw are also very actively considering the same type of construction.

The Public Works capital budget provides for the beginning of an addition to the Saskatchewan Technical Institute in Saskatoon. This major extension estimated to cost \$2,500,000 to \$3,000,000 should accommodate the program requirements in the Technical Institute for the next five-year period.

### UP-GRADING COURSES

The budget provides for more than a three-fold increase in costs, to an amount of one-third of a million dollars, for an expanded program in vocational upgrading courses for unemployed people.

During the 1965-66 fiscal year, it is expected that courses will be offered in fourteen centres in the province, enabling a significant number of workers to improve their skills so that they can take employment in industries locating in the province.

### STUDENT LOANS

The scope of the student aid fund will be expanded to permit, for the first time, financial assistance for certain students who wish to enter vocational and technical training schools.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** —

### UNIVERSITY

The University plans a record capital development program next year of \$13,400,000. This will be financed mainly from provincial funds as follows:

A supplementary capital grant this year of	\$2,000,000
A capital grant in 1965-66 of	\$1,500,000
The sale of University debentures, guaranteed by the government,	\$7,000,000

This represents total provincial financial assistance of \$10,500,000, or \$6,000,000 more than the \$4,500,000 capital grant provided for the University for its 1964-65 program.

The government has approved a \$52,000,000 capital program over a four-year period which will accommodate an estimated 10,000 students on the Saskatoon campus, and 5,000 students on the Regina campus.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** — This will strain the resources of the government in a major way, but we intend to do our best to find the necessary funds.

University operating costs also are increasing by leaps and bounds. This is inevitable, of course, because operating costs are based primarily on the number of students.

The government will give the University almost thirty per cent more funds for this purpose than the funds provided in the original 1964-65 budget.

The dollars involved will be increased by \$2,600,000 to \$9 1/3 million.

One million dollars of this grant will be paid in advance during the current fiscal year.

This increase reflects a growing emphasis on, and demand for secondary education which has resulted in the opening of another campus of the University of Saskatchewan, in Regina

In short, Mr. Speaker, this budget contemplates government financial assistance on education of \$71,600,000. This is an increase of over \$11,600,000 above the original d spending on education this year.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** — As I have pointed out, \$7,000,000 of this increase will be capital assistance to the University which will be financed by guaranteed debentures.

## HIGHWAYS

I turn now to highway construction. A modern, efficient and economic system of transportation and communications is an essential part of the government's program to increase development in Saskatchewan.

Our province has made great strides in highway building over the past few years. Nevertheless, there are many indications that we have lagged behind other provinces in this regard. Under these circumstances, the government proposes to sharply raise highway spending in the coming year, for capital purposes.

This budget will provide the largest sum in the history of this province for the 1965-66 highway program. For total expenditures, we propose to spend \$35,000,000. This amount is \$8,400,000 above last year's budget. The capital program is expected to be about fifty per cent higher than the 1964-65 program.

Moreover; this increase is only a beginning. In the subsequent year, Mr. Speaker, we propose an even larger increase.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** —

## NORTHERN HIGHWAYS

It may be of interest to members that responsibility for major resource roads in the north has been transferred to the Department of Highways.

It is felt that the Department of Highways is best able to construct and maintain these roads as part of the provincial network.

If we are to take advantage of our northern natural resources;

If we are to obtain our share of tourist business;

If we are to give fair treatment to our northern residents;

we must attack this problem of transportation with vigor and imagination.

Naturally, the Minister of Highways (Mr. Steuart) will discuss details of our plans when his estimates are introduced.



But I would to list a few of the northern highways which will be constructed in the near future.

- (1) It is proposed that a highway be constructed between No. 2 highway and the Hanson Lake Road.

This highway costing approximately \$725,000, will provide access for the Anglo Rouyn Mine, and will also tap some of the finest mineral and recreational potential in that area.

- (2) Extension of highway No. 2 to Reindeer Lake will also take approximately \$1,000,000.

- (3) Completion of the Island Falls Highway will require \$1,150,000

- (4) The Cumberland House Road will need another \$528,000.

Other northern roads are also being considered.

### **PAVING AND OILING**

The 1965-66 capital program will add 550 miles of dust-free highways, which will represent about 60 per cent of the total highway system.

### **MAINTENANCE**

Funds are provided in the budget to enable the department to provide a high standard of maintenance on provincial highways. Three hundred and fifty miles will be added to the 3,000 miles of highway which are maintained in an ice-free condition in the winter.

### **RE-GRAVELLING**

Extensive re-gravelling will also be undertaken by the department, comprising seventeen per cent of the gravel surface. Naturally, an expansion of this kind requires increased personnel to carry out the job. As a result, about forty new positions will be established in the Department of Highways to provide the necessary pre-engineering and supervisory services.

It is the hope that the greater bulk of highway work will be done by private contractors, through the calling of tenders. The government will gradually get out of the road building and in the process, we hope to save the taxpayer, substantial sums of money.

In short, Mr. Speaker, the government gives highway building a top priority, as we endeavor to build and develop the economy of Saskatchewan.

### **INDIAN AND METIS PROGRAM**

I turn now to our new proposed branch for the Indians and Metis, again we give this program priority.

As has already been announced, the branch will be responsible for assisting people of Indian ancestry to achieve higher economic standards and self-government, as well as full participation in the social and economic life of the province.

I emphasize that the work which is envisaged is not designed in any way to replace federal responsibilities, but rather to supplement and complement their program.

Emphasis will be given by this new agency on planning, co-ordinating and expanding community and economic development projects and locating people of Indian ancestry in suitable employment.

### **COST OF NEW BRANCH**

This budget will provide for pending by the new Indian and

Metis Branch of approximately \$475,000.

This amount will provide for Community Development and Placement Officers, a research staff, the operation of the Green Lake Farm, and other community development projects. The budget provides for an increase of ten new positions.

As I said earlier in this session, the amount will be substantially increased as soon as the new agency is established, and is able to recommend to the government a positive program of economic and community development for our Indian and Metis citizens.

### **OTHER ACTIVITIES TO BENEFIT INDIANS**

Other departments will continue to be responsible for administering programs which directly benefit people of Indian ancestry.

The department of Agriculture's budget includes a sum of \$40,000, for example, to improve the agricultural development of the Cumberland House Farm. It is hoped that through the operation of this farm, many local people will be able to establish themselves in agriculture in the delta area.

Five co-operative management advisors are located in the far north, to assist people of Indian ancestry to solve their economic problems by co-operative endeavor. In addition the department provides assistance by way of grants to certain northern co-operatives.

The Northern Affairs Branch of the Department of Natural Resources carries out a program of community development in the far north. Over \$100,000 is provided in the 1965-66 budget for a housing program and industrial projects.

The Department of Social Welfare and Rehabilitation provides economic and educational opportunities to people of Indian ancestry in the province, by operating project farms and sending Indian and Metis children to institutions of further learning.

The government's objective is to extend all health, social and educational programs on the same basis as they are presently available to the rest of the people of this province. This will be done as soon as appropriate cost-sharing arrangements with the federal government can be negotiated.

In total the government will spend approximately \$750,000 on projects to assist the people of Indian ancestry to achieve higher economic standards and full participation in the social and economic life of the province.

And I want to assure you, Mr. Speaker, that, if this sum should prove inadequate, we will certainly put further sums in the supplemental estimates of next year.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** —

### **AGRICULTURE AND RURAL LIFE**

I turn now to agriculture.

Despite our efforts toward industrialization, the government considers our agricultural industry the most important sector of our economy.

Therefore we shall continue many existing programs including

The Agricultural Representatives Service; drainage; irrigation; and breaking programs; and research work by the Saskatchewan Research Council.

During the current fiscal year, the Family Farm Improvement Program brought modern plumbing to approximately 6,000 homes.

The municipal Sewer and Water Program was extended to sixty new towns and villages.

Gas was connected during the year to another 7,800 homes, urban and rural, by Saskatchewan Power Corporation.

Financial assistance was given to many rural telephone companies.

The provincial government provided grants which permitted the addition of 1,135 miles to our grid road system

All of the programs which have contributed to the enhancing of rural life will be continued and expanded.

### **COMMUNITY PASTURES**

Many areas of the province, presently used for cultivation of grain crops, would best be utilized in livestock production. For this reason, the government will provide earned assistance grants totalling \$88,000 for the development of municipal and co-operative community pastures. In addition, the province will operate thirty-six community pastures at an estimated cost of \$420,000, three more than in 1964-65. The thirty-six pastures will graze an estimated 50,000 head of cattle.

### **FODDER SHELTERS**

The government realizes that a stable livestock industry is vital to the agricultural economy, and to the economy of the province as a whole.

In the past, unstable supplies of fodder have impeded the growth of our livestock industry. To begin stabilizing the fodder supply, as the Minister of Agriculture announced a couple of days ago, the government will provide \$50,000 in grants to help farmers construct fodder shelters. This is a new program. If it is successful, larger amounts will be made available in the next budget.

### **A.R.D.A.**

The government expects a new agreement will be signed soon with the federal government for Agricultural Rehabilitation Development (ARDA).

The proposed agreement will make \$13,700,000 available for ARDA projects in Saskatchewan during the period April 1st, 1965 to March 31st, 1970.

Any project which is designed to meet one of the following objectives will be shared under ARDA;

- (1) To put to better use marginal land which is presently not too productive.
- (2) To develop income and employment opportunities in rural area.
- (3) To conserve and develop soil and water resources in rural Canada.

The government intends to take full advantage of this program, which is designed to make the best use of marginal land and to assist farmers on small uneconomic units to expand their farm enterprises, or to obtain alternative employment.

It is estimated that \$3,700,000 in the Agriculture Department's ordinary and capital budget will be eligible under ARDA.

The Department of Natural Resources includes projects amounting

to \$160,000 which are expected also to be eligible under ARDA.

### **DELTA AREA**

The agricultural feasibility study of the Saskatchewan River Delta area will be continued, but funds for part of this study on the wildlife, forest, and fish potential of the area, have been transferred to the Department of Natural Resources budget.

### **SOUTH SASKATCHEWAN IRRIGATION**

The government will spend \$1,000,000 in 1965-66 for irrigation projects at the South Saskatchewan River irrigation area:

\$400,000 in land acquisition, and  
\$600,000 for pumping equipment and channel construction.

It is estimated that over \$20,000,000 will be required from 1965 to 1978 to fully develop 50,000 acres in the Broderick area. Over half of this amount may be recoverable over a considerable long-term repayment period.

The forage grown on this project will sustain a good-sized livestock industry.

In addition, special crops such as sugar beets and garden produce, may be grown that will further diversify the agricultural sector of our economy and which may attract sugar refining and canning industries.

### **CAPITAL SPENDING**

The budget includes \$5,700,000 for agriculture capital programs, almost \$1,000,000 above this year's appropriation. This is the highest capital expenditure program in the history of this province.

### **PUBLIC HEALTH**

All major health programs — including hospitalization, medicare, free treatment for mental illness and cancer, etc, have been continued by the government.

During the past year, a new psychiatric centre for the treatment of people suffering from mental illness was completed at Yorkton.

A second psychiatric centre located in Prince Albert will provide in-patient, out-patient and community services for a population of around 120,000 in the Prince Albert area, thus relieving some of the pressure on the hospital at North Battleford. Two hundred and fifty thousand dollars has been provided for a start on construction of this \$2,300,000 project.

In the past nine months, many causes of friction have been removed from our major health plans. A spirit of harmony and co-operation has been created between the government and the College of Physicians and Surgeons. Many wounds arising from the Medicare crisis, we hope have been healed.

Nevertheless, the people of Saskatchewan should realize that the costs of medicare and hospitalization continue to rise inevitably and ominously.

In addition to ordinary costs, the government is faced with demands for new hospital construction in excess of \$50,000,000.

The government hopes these costs, by close co-operation from the hospitals, the profession, and citizens generally can be restrained. We will take every feasible step to control costs, because we know that failure, in this regard, could jeopardize both plans.

Nevertheless, I would be less than honest if I did not tell the people of Saskatchewan that these rising costs are straining our province's financial resources.

For month, the Minister of Health, (Mr. Steuart) and his department have been working at reducing costs and eliminating inefficiencies. They have saved large and substantial sums of money. Yes, despite all their efforts, gross expenditures in the field of Health, in 1965-66 will approximate \$100,500,000. This figure is over last year's gross expenditures by \$7,500,000.

After taking into account receipts from the hospital and medical care premiums, surplus finds in the Medical Care Insurance Fund and federal reimbursements, the budget provides for net expenditures of \$51,300,000.

There is some hope that in the months ahead, the federal government will come to our aid, by adopting a National Medicare Plan.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** — This of course would mean that the federal authorities would assume a major share of the costs. In the meantime, the provincial government and people must co-operate diligently to keep health costs at a level which is within the capacity of our taxpayers.

### **TEACHERS AND PUBLIC SERVICE PENSIONS**

Two or three decades ago, partly as a result of the depression, hundreds of teachers and public servants retired with pensions which were inadequate.

With a steadily increasing cost of living, the plight of some of these individuals has become acute.

This assembly will be asked to pass legislation to increase all teachers allowances granted prior to April 1st, 1963, and which are less than \$1,200 for widows and \$2,400 per annum.

The estimated cost \$207,000 for the first year, with a decreasing annual cost depending on the mortality rate of the recipients.

### **PUBLIC SERVICE PENSIONS**

Similar legislation will be introduced with respect to public service superannuation allowances granted prior to April 5th, 1951, and which are less than \$1,200 a year for widows and \$2,400 a year for other pensioners.

The average annual increase for widows will be about \$105 and for other pensioners \$217.

The first year cost of these increases is estimated at about \$73,000 with a decreasing yearly amount depending on mortality.

These changes will bring pensions for earlier retired teachers and civil servants more into line with the pension recently warded.

### **THE ART**

The cultural development of our people — both young and old, must be maintained and encouraged. This can be done chiefly through government support of the arts in whatever way possible.

We are convinced such a development and encouragement of young talent must be fostered if we are to halt the flow of brilliant young minds from our province.

Therefore, we have decided to increase our grant to the Saskatchewan Art Board so that that agency may have greater funds available,

to assist in the development of orchestras, music festivals, drama, arts, and the crafts, plus band festivals.

Our grant to the Arts Board for the coming year will be \$145,000, an increase of seventy per cent over this year's grant.

The government is also considering other methods of assistance.

### **RECREATION**

As was mentioned in the speech from the throne, Mr. Speaker, the government proposes to accelerate the development of parks and recreational areas throughout the province. The increasing number of our citizens, who are making use of our parks at the present time, compels us to step up the pace of our outdoor development.

In the past year, the number of people, both citizens and visitors to Saskatchewan, using our parks, increased by twenty per cent.

In the current year, we have made grants to thirty-nine regional parks throughout Saskatchewan, next year we will add eleven more.

Therefore, Mr. Speaker, we propose to spend a total of \$2,200,000 on both provincial and regional parks in the coming year, an increase of twenty per cent over this year's appropriation.

### **FISCAL FORECAST**

I turn now, Mr. Speaker, to the specific financial aspects of the budget.

We are, as is the custom, making our revenue forecasts on the assumption of an average and normal crop — eighteen bushels per acre. However, based on the forecast of increased economic activity, both at the national and provincial level, the government expects revenues to increase fairly sharply in the coming year.

The major consumption taxes should all yield higher returns in 1965.

The five per cent sales tax would yield \$50,500,000.

The gasoline tax would yield \$32,900,000.

We expect liquor revenues will increase to \$16,800,000.

The total yield of the consumption taxes would be almost \$8,600,000 higher than their original 1964-65 estimate.

Receipts under the Federal-Provincial Tax Agreements will be \$7,500,000, \$4,400,000 of this increase represents the value of the additional three per cent provincial share on individual income tax and equalization payments.

Petroleum and natural gas royalties are estimated to increase by \$3,500,000 above the 1964-65 original estimate, but we estimate that receipts from bonus bids will decline in 1965 by \$3,000,000. It is hoped that the oil and gas programs under the new government will lead to new discoveries, but in establishing the budget for 1965-66, we did not assume these discoveries would be made.

Altogether, Mr. Speaker, we are forecasting that total 1965-66 revenues will amount to \$233,000,000, under prevailing tax schedules.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** — On the other hand, as I have already stated, expenditures on the programs which this government intends to accelerate and give more emphasis, will be up sharply.

We expect that expenditures during 1965-66 will total \$220,700,000.

The combined effects of buoyant revenue yields and substantial expenditure savings realized by this government would result in a surplus of \$12,300,000.

Mr. Speaker, we propose to use this surplus for tax reductions. Mr. Speaker, this government has contended that under the previous administration, taxes in Saskatchewan long since reached the danger point. We have maintained that the tax levels in this province were far out of line with other province. We have argued that high taxes were impeding production and development — bearing most heavily on the low income groups.

Today, the time has come to translate those long-held views into action.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** — This budget, therefore, proposes some major tax cuts.

(1) I turn first to the five per cent sales tax

Hon. members will recall that a two per cent sales tax was originated by a Liberal government in the depths of the depression to help pay the salaries of school teachers.

In 1937, the Liberals collected through the sales tax \$2,300,000.

From that day to the 1944 election, there was not a socialist candidate that I know of, who did not campaign on a pledge that this so-called "nuisance tax" would be abolished when they formed a government.

However upon taking office, the Socialists did not abolish the two per cent tax. I ask the people of Saskatchewan to remember that instead they increased it first to three per cent and then to five per cent; this was apparently "togetherness".

They did this, moreover, at a time when our sister provinces, Manitoba and Alberta, had no overall sales tax.

Now, Mr. Speaker, Liberals believe that regressive taxes are harmful with low rates, they become positively disastrous when the rates are extreme.

Saskatchewan's five per cent sales tax is working most hardship on parents with large families, people least able to pay including widows, old age pensioners, etc. Farmers are finding this five per cent levy particularly burdensome.

**An Hon. Member:** — They are now.

**Mr. Thatcher:** — Well, my hon. friends may not like it, but the farmers will like it, most of our people will like it.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** — In the last election, our party promised to reduce the education and health tax from five per cent to four per cent. In this budget, we propose to carry out that promise.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** — As from midnight tonight, Friday, February 19th the general rates of sales tax in Saskatchewan will be reduced from five per cent to four per cent, on all taxable products and articles, except liquor and beer.

In the case of these two latter products, the old rate will be continued.

Our officials estimate that this action will save our taxpayers in the next fiscal year, \$9,600,000.

### **(2) INCREASED LIST OF EXEMPTIONS**

In the last election campaign, this government contended that there were many agricultural items which should be exempt from sales tax. In keeping with that promise, this budget proposes to exempt from sales tax an additional twenty-four farm items. They are as follows:

Barbed wire, Fence pickets, Welding machines, Electric fences, Cattle oilers, Barn pens, Stalls and stanchions, Cattle chutes, Cattle squeeze, Dairy and Poultry thermometers, Brooders and Accessories, Branding irons, Livestock scales, Debeakers, Egg graders, Egg candlers, Egg washers, Stack movers, Laying cages, Milk filters, Livestock clippers, Silo unloaders, Livestock tattooing tools, and ink, Portable hay feeders, Pasteurizers.

The total saving on these items for the farmer will be in the neighborhood of \$90,000.

### **(3) MARRIED COUPLES**

During the last election campaign, the Liberal party promised to introduce an amendment to the Sales Tax Act, which would allow newly-weds refund of tax on their first \$1,000 of household goods purchased. We propose to proceed with this proposal in the current budget.

Newly-wed couples married after February 19th may, within a twelve month period, apply for a refund of the sales tax paid, on up to \$1,000 worth of major household furniture and appliances.

It is estimated that this exemption from the sales tax will save married couples, mostly married young people, approximately \$300,000 annually.

### **(4) MINERAL TAX ACT**

Mr. Speaker, Saskatchewan, under the Socialists, was the only government in all Canada which had a Mineral Tax Act. So-called friends of the farmers.

Under this legislation, farmers have been forced to pay taxes on minerals which mayor may not have existed.

Over the years, many farmers, (over 5,000, according to a return which was tabled in the house the other day), lost their mineral rights because they refused to pay this unfair levy.

In opposition, and during the election campaign, the Liberal party promised to eliminate this tax. In this budget, we propose to do so.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** — Farmers will be obliged to pay their mineral tax up to December 31st, 1964, but from that date forward, they will be exempt. The mineral tax will still apply to corporations holding land in Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** — It is expected that the saving to the farmers will total about \$250,000 annually.



## (5) PURPLE GAS

The Liberal party for many year has argued that in this day of modern agriculture, a farm truck is just as much as farm implement as a tractor.

As farms grow larger and more diversified, the movement of supplies, produce and livestock over longer distance, makes the farm truck an essential feature of modern farm operation.

If this is so, we believe farmers should be allowed to use purple or tax-free gas in their farm trucks. Alberta introduced such legislation many years ago.

Mr. Speaker, I am sure that today the farmers of Saskatchewan will remember that, when we were in the opposition, we proposed this reform on many occasions, and moved appropriate resolutions, and these so-called friends of the farmers voted it down.

In the election, we promised to pass legislation to permit farmers to burn tax-free gas in farm trucks. It gives me pleasure to announce that tomorrow morning, February 20th, the farmers may use tax free gas in all two axle trucks up to three tons.

In spite what my Socialist friends have been saying around the province, there will be no restriction as to distance within the province.

Farmers may not use their trucks commercially with tax-free gas, though provision will be made to permit them to haul livestock or grain for their neighbors.

Our officials estimate that in the coming year, this reform will save Saskatchewan farmer an estimated \$3,900,000.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** —

## GAS IN BOATS USED IN FAR NORTH

We have received strong representation from outfitters in our far north asking that they be permitted to use purple gas in boats. In this area, the high cost of transportation makes gasoline considerably more expensive than elsewhere in the province.

As an incentive to promote the tourist potential in the far north, the government proposes to permit the use of tax-free gas in all motor boat engines on the lakes in the northern administration district.

Estimated cost of this proposal will be approximately \$35,000.

Boats elsewhere in Saskatchewan will still be required to use ordinary fuel.

(6) In this budget, there are a variety of "nuisance taxes" affecting agriculture, nineteen in number, which we propose to eliminate. Such items as:

Farm Trailer License Fee, Creamery License Fee, Cream Graders License Fee, Cream Testers License Fee, Bulk Tank Operators License Fee, Performance Testing Fee on Purebred Cattle, Artificial Insemination Association License Fee, Artificial Insemination Technicians License Fee, Commercial Hatchery License Fee, Breeder Hatchery License Fee, Poultry Branch Wholesalers License Fees, Brand Fee on Poultry, Wool Dealers License Fee, Seed Dealers License Fee, Commercial Ice Permit Fee, Milk Control Board Delivery Vehicle Permit Fee.

The cost to the treasury of eliminating these levies will be of

minor nature.

We hope that the elimination of these "nuisance" taxes and the additional exemptions under the Education and Health Tax may encourage even in a small way, diversification of the farming industry into livestock, dairy, hog, and poultry production.

(7) In this budget, we propose to eliminate the following Natural Resources Taxes. Again, most of these are of the nuisance variety and the cost to the treasury will be minor.

Captive Animal Permit Fee, Game Farm License Fee, Private Game Farm License Fee, Taxidermists License Fee, Fur Wearing Apparel Permit Fee, Permit Fee to Take Live Animals for propagation purposes, Permit Fee to export live animals not raised on fur farms, fur farm license fee.

### **(8) SUNDRY**

(a) In the Department of Labour, the registration fee levied on each establishment through the apprenticeship branch will be eliminated. We believe the small amount collected from this source was not worth the bad public relations the collection caused, when at the same time, we are encouraging more tradesmen to undertake apprenticeship training.

(b) As well, nine classes of tradesmen and contractors' licenses have been changed from annual licenses to five-year licenses, eliminating the nuisance factor and reducing cost of collection. The amount of the fee has also been reduced.

(c) In addition, we propose to eliminate elevator operators license fees.

(d) In the Attorney General's department, we have eliminated the Land Titles Rejection Fee.

This fee has been a source of resentment and the amounts received from this fee do not compensate the man hours involved in assessment and collection.

(e) We also propose to eliminate the fees for the establishment of non-profit cemeteries. These fees are nominal, and do not actually cover the cost of collection.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** —

### **TAXATION SUMMARY**

Mr. Speaker, I hear my Socialist friends laughing, but I am sure that the people of Saskatchewan will welcome a budget for a change, which isn't increasing fifty taxes but is decreasing them as we are doing today.

In short, we are proposing in this budget tax reductions which will total \$14,300,000. Yet the apparent surplus before any tax changes is only \$12,300,000. This would result in a budgetary deficit in 1965-66 of \$2,000,000.

This government does not believe in deficit financing in normal times.

Thus, we were faced with the difficult alternatives of eliminating services, or finding additional sources of revenues.

### **TOBACCO PRODUCTS TAX**

Under the circumstances, we are proposing an increase in the

tax on tobacco. This levy will be imposed on April 1st, 1965.

The former five per cent sale tax on tobacco will be removed. In its place, we propose to impose a ten per cent tobacco tax which in effect will mean an additional five per cent increase over present levels. This is half the Manitoba tobacco tax.

While no levy is desirable, we feel that this is the least objectionable, and it should not inhibit the economic growth of the province.

So total increase in revenue will be about \$2,250,000.

To sum up, Mr. Speaker, the budget proposes to cut taxes by \$14,300,000 and to increase them by a little more than \$2,000,000, so the net tax reductions which we are proposing today will yield the taxpayers of Saskatchewan in the coming year, \$12,000,000.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** — I would point out that we are proposing the elimination or reduction of 43 existing taxes, some major, many minor. We are proposing that twenty-five additional commodities be exempted from sales tax. We have provided for one tax increase.

The budget provides for total increased gross spending on education, health, agriculture, the arts, highways, etc., of almost \$31,000,000. On a net basis, spending will increase by \$6,300,000 after deducting reimbursements receipts from the medical and hospital premium tax surplus funds in M.C.I.C. the provincial guarantee on a university debenture issue We are forecasting a small fiscal surplus for the coming year of \$250,000.

#### **TAX PROMISES CARRIED OUT**

Mr. Speaker, I would point out to the house that this budget permits the government to carry out another five of its tax promises made in the last election.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** — In case they have forgotten —

1. Sales tax reduced from five to four per cent
2. Purple gas for farm trucks
3. Elimination of the mineral tax on farm lands
4. Extension of goods exempt from sales tax
5. Provisions to newly weds of exemption from sales tax.

Surplus for the coming year is expected to be \$250,000.

#### **CONCLUSION**

Now, Mr. Speaker, this program of tax reductions has been made possible by a deliberate policy of effecting savings and a buoyant economy which is due to private enterprise.

**Some Hon. Members:** — Hear, hear!

**Mr. Thatcher:** — Despite these tax cuts, I think our people should realize that Saskatchewan tax levels are still far out of line with other provinces.

This government will continue to work diligently to remove deterrents to private initiative and enterprises.

The government will continue to work industriously to honor the balance of its tax pledges in subsequent budgets.

Mr. Speaker, from the outset, this government has maintained that the future of this province depends on how vigorously we undertake economic development today.

That is why I have brought in what might, be called a "development budget" designed to put all our resources to work.

We recognize that, by proceeding in this manner — by putting development high on our list of priorities, we are making possible the achievements of all those things which can make for a better life in this province.

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

**Some Hon. Members:** — Hear, hear!

**Mr. E.I. Wood (Swift Current):** — Mr. Speaker, before he sits down, would the hon. member permit a question?

**Mr. Thatcher:** — Certainly.

**Mr. Wood:** — Why did the hon. Premier say that the tobacco tax would net something over \$2,000,000, when it is estimated in his booklet that it would be \$3,450,000.

**Mr. Thatcher:** — Of course, if you had read the estimates a little further, you would have found that the previous government already had a five per cent tax. We expect there will be more in tax revenues, by virtue of the five per cent tax increase, but the increase is only the \$2,000,000 figure that I mentioned.

**Some Hon. Members:** — Hear, hear!

**Mr. A.E. Blakeney (Regina West):** — Mr. Speaker, I believe before that question is dealt with by the house, there will be one or two remarks addressed to Your Lordship over the period of the next week or so, and I would like to head the list of people who will be addressing remarks to you with respect to the budget, and with respect to the traditional motion that you do now leave the chair.

In opening, Mr. Speaker, I would first like to compliment the Premier — the Provincial Treasurer, I suppose I should call him on this occasion, since this is the capacity in which he delivered the budget, a budget which I think all members will agree was well prepared, comprehensive and well delivered.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — I was certainly pleased to see that it indicated that Saskatchewan economic progress is continuing. These, Mr. Speaker, have been good years. 1962, 1963, 1964, and I am sure we all hope, as does the Provincial Treasurer, that 1965 will be another buoyant year.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — Uncertainty in wheat, prices is a bit of a dark cloud, but I think all will agree that it is a little too early to predict any particular amount of gloom under that particular heading.

Industrial development continues to prosper, mineral development continues on the upward rise which we have noted with a good deal of pleasure over the last several years.

The budget itself, contained a good number of interesting proposals, which obviously will require some study in order that a proper comment on them might be prepared. A the member for Moosomin, Minister

of Agriculture, (Mr. McDonald) has said on a good number of occasions, when he stood in his place in the house and acted as financial critic, there are difficulties with respect to preparing comments on the budget address, particularly when one has not had the opportunity to have a copy in advance. Very properly, I am sure. There may be no way that a budget address, which contains tax increases or decreases, can be supplied in advance. I didn't mean to suggest that there was any impropriety, or lack of courtesy there. I merely wanted to point out that on some occasions, it has been possible to supply the financial critic with the address, while on this occasion, it was not possible.

There were one or two things which particularly struck me about the budget, and I think that the single, most important thing that struck me about it, was the proposal of the Premier, in a year such as this, which I believe is a buoyant year and I believe will generally be agreed to be a buoyant year, to engage in a substantial measure of deficit financing.

Now obviously a look at the estimates does not show that there is going to be a deficit on the budget. Indeed, the estimates indicate that there will be a surplus of a couple of hundred thousand dollars.

But, of course, the Premier pointed out that a substantial portion of the expenditures in the field of education will be financed by borrowings by the University of Saskatchewan.

**An Hon. Member:** — We followed your example.

**Mr. Blakeney:** — That is true, but let me say this, that the University of Saskatchewan, if it borrows \$7,000,000 in the next fiscal year, will have borrowed in that year in order to build two or three buildings, more money than is presently owing on every single asset, that the University of Saskatchewan now has.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — In all the years that the university has existed, since its earliest time, the people of this province have been able to adopt a pay-as-you-go attitude.

**Mr. Thatcher:** — Do you oppose the program?

**Mr. Blakeney:** — I will come to that. I do not oppose the program, but I oppose anyone saying that this program is being carried on under a breakeven budget, when it is, in fact, being carried on under a deficit, budget.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — I will have something to say about education expenditures in a moment, but the point is this, that in all the years we have never in any single year borrowed \$7,000,000 for the University of Saskatchewan. In the good years, and in the bad, we have been able to pay our way with respect to the University, with the result that the debt that the university owes now, is very small indeed. This year, this buoyant year, this year when all of us are predicting high levels of farm cash income, high levels of industrial production, and industrial income, in this year, it is decided that a major portion of the university expense will be paid for out of borrowed money. And money which cannot possibly be paid back by the university, but must be paid back by the taxpayer.

There is all the difference in the world between borrowing for Saskatchewan Government Telephones, where the user of the service can be expected to pay both the interest and the principal and the proposal as advanced by the Provincial Treasurer, when we are now to finance \$7,000,000 of our university expansion, by borrowing, by the university, guaranteed by the province in a way which only can be repaid out of future budgets.

This is a way to say that future taxpayers in future years will have to pay for the university buildings we build next year. Now, this is not a practice which we have adopted in any major way. True, we have taken advantage of the National Housing Act in the past to borrow money because the rate was so very favourable and on occasion some other small sums have been borrowed by the university, never an amount of \$7,000,000 and never

an amount in a year which is as buoyant as this one.

Mr. Speaker, the Provincial Treasurer indicated to us that the capital financing program was going to be carried on in the way that it has been in the past, borrowing largely from the Canadian market; he indicated that the rates of interest which he has had to pay in order to get his money have been declining from 5.59 per cent in January to 5.50 per cent, in December, and he said that he liked to believe that this was because of the improved financial status and credit of the province of Saskatchewan.

Well, Mr. Speaker, I would like to believe that too, if it were true, and I wish he told the house that New Brunswick and Manitoba had been borrowing last month, if my figures are right, at an effective rate of about 5.27 and I don't know how it is that . . .

**Mr. Thatcher:** — Last month?

**Mr. Blakeney:** — I don't know when it was, early January, or late in December. I won't quibble with you for just a week, but the effective rate of each of those borrowings, either provincial or provincial guarantee, if my information is correct, was 5.27.

**Mr. Thatcher:** — Get down to Manitoba. . .

**Mr. Blakeney:** — Well . . . May I then move to one other item, before I ask leave to adjourn the debate?

That is the question of school costs and particularly, school grants. I am sure that anyone who had an opportunity to look at these estimates and do a few sums was shocked as I was at the proposals of the government with respect to school grants. Certainly, I think we heard from the Provincial Treasurer a good number of comments to the effect that it was absolutely essential to lower taxes. But if this is true of provincial taxes, it is equally true of municipal taxes. The only way that we are able to lower municipal taxes effectively, perhaps not even lower them, but keep them from rising, is to see that our level of school grants goes up and continues to go up.

Now, last year, Mr. Speaker, school grants were \$42,000,000, an increase over the previous year of \$5,300,000 or about fourteen per cent. This year of expanding and a buoyant economy, in a year of a much larger school system — it grows bigger and more expensive every year — the proposal is that school grants be \$46,100,000, up not \$5,300,000 but \$4,100,000. Now, I thought — well, the increase last year was fourteen per cent, this year it is a bit under ten per cent, this is grossly inadequate, but perhaps indicates the priorities that the Premier was talking about.

But I was struck still further when he suggested or let drop, that this \$46,100,000 includes \$1,000,000 for technical education, a little bit of a sleeper. In order to buoy up his school grant figure, which looks pretty pathetic, he has taken the money which normally has been set aside under another heading for technical education and put it in the school grants item for technical education.

**Mr. Thatcher:** — Shame, shame.

**Mr. Blakeney:** — So, that if I take this off, I will get an increase in school grants of about \$3,100,000 as opposed to last year's increase of \$5,300,000 and as I say, this is an expanding school system, on which we need to spend much more than we have been. This indicates an increase not fourteen per cent, as was the case last year not ten per cent, or a little under ten per cent, as the figures in the estimates might appear, but an increase of about seven per cent in school grants. Seven per cent in one year. School enrolment will be going up close to seven per cent. The opportunity to compensate for increasing costs simply will not be there at all.

Mr. Speaker, the budget indicates further shortcomings in the area of technical education and in the area of the university, and in the area of some of our other education needs. I certainly was most disappointed that the money set aside for technical education was so grossly inadequate.

I want to say something about, this on Monday, Mr. Speaker, but I ask the hon. members to turn to their estimates and look at the sum set aside for technical education. This is a burgeoning economy. This is an economy which needs, in the worst sort of way, trained individuals.

Last year, Mr. Speaker, the budget contained special items of \$2,000,000 for increase in technical training facilities.

**Mr. W.J. Berezowsky (Cumberland):** — They were imported from Russia.

**Mr. Blakeney:** — Now, Mr. Speaker, hon. members opposite didn't spend that \$2,000,000. They didn't go ahead with any of these proposals for increasing our facilities for technical education, they did nothing and called it savings.

This is \$2,000,000. The Premier was telling us about this \$6,500,000 he saved. Well, \$2,000,000 of it was saved by not doing anything on technical education.

**Some Hon. Members:** — Hear, hear!

**Mr. Blakeney:** — How was he proposing to compensate for doing nothing for one year on technical education, for not spending the \$2,000,000 which was thought to be necessary last year, and I don't think it was excessive. Is he going to spend that \$2,000,000 plus \$2,000,000 more next year? Oh, no. Is he even going to spend that \$2,000,000 more next year? Oh no. He is going to spend \$1,000,000 when the \$2,000,000 last year should have been spent, and \$2,000,000 this year.

Mr. Speaker, this is not the approach which is desirable, or absolutely necessary in the field of technical education. If this province is to discharge its responsibilities to its young people and if it is to discharge its responsibilities to those industries who will be looking to these technical educational facilities to provide them with trained personnel.

Mr. Speaker, I have a good deal more to say on this topic, but I'm sure that hon. members will be grateful to me if I say it when I have had an opportunity to assemble my remarks over the weekend, and accordingly, Mr. Speaker, I beg leave to adjourn the debate.

**Some Hon. Members:** — Hear, hear!

Debate Adjourned.

## SECOND READINGS

Hon. A.H. McDonald (Minister of Agriculture) moved second reading of **Bill No. 19 — An Act to amend The Pest Control Act, 1956.**

He said: Mr. Speaker, this bill makes provision for urban municipalities to pass a pest control bylaw, and in particular, a bylaw for the control of rats in urban centres. The reason for the proposed amendment to the amendment is that urban municipalities have been passing rat control bylaws whenever they considered it necessary and they do need legal support in their programs. I am sure all members are aware that under The Pest Control Act of 1956, there has been a program in effect, endeavoring to eradicate rats from that area of the province of Saskatchewan lying between the north and south Saskatchewan rivers and Alberta boundary. Some rural municipalities have had considerable success and some urban municipalities as well. But the urban municipalities have not had the legal support that is necessary to implement this program to its fullest extent.

Therefore, we are giving the urban municipalities this legal right in the hopes that we can make this area of the province a rat free area. If we are successful in this area, I would expect that members of this house and citizens of Saskatchewan, would expect us to enlarge the area, but at the moment, we would like to confine it to the area presently outlined in the act.

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

**Mr. H.A. Broten (Watrous):** — Mr. Speaker, may I ask a question? Do you anticipate whole sections to be controlled forcibly, so that everyone will have to enter into the program within the area?

**Hon. A.H. McDonald (Moosomin):** —If I might answer, Mr. Speaker, without closing the debate. It will give the urban communities in the area, the same authority as rural municipalities.

Motion agreed to and bill read a second time.

Hon. A.H. McDonald (Minister of Agriculture) moved second reading of **Bill No. 20 — An Act to repeal The Frozen Food Locker Act.**

He said: Mr. Speaker, this act makes provision for the repeal of The Frozen Food Locker Act. I am sure all hon. members of this house are aware that shortly after the last World War there was a considerable program in effect, in the province, in the construction of frozen food lockers. A good many of these locker plants were built and the provincial Department of Agriculture inspected and licensed them.

This program was followed by a general program of rural electrification in the province, and this made it possible for most of our farmers to purchase small freezers which they installed in their homes. Because of rural electrification program, the building program of the frozen food lockers, that is the larger plants in the province, has virtually come to a standstill.

The Department of Public Health inspects frozen food lockers as well as the Department of Agriculture and we feel there is no further need of inspection by the provincial Department of Agriculture. This is the reason we are asking for the repeal of this act. We will not be licensing these locker plants in the future as we see no need for this. We expect the Department of Public Health can do all the inspection that is necessary, and with those brief words, I would like to move second reading of Bill No. 20.

Motion agreed to and bill read the second time

Hon. A.H. McDonald (Minister of Agriculture) moved second reading of **Bill No. 21, An Act to amend The Pure Bred Sire Areas Act.**

He said: Mr. Speaker, this is a bill to amend the Pure Bred Sire Areas Act. This bill makes provision for the Pure Bred Sire Area Act to be extended to cover local improvement districts as well as rural municipalities, and we think this is in the best interests of the farmers of Saskatchewan and the livestock industry. If this legislation is desirable in our rural municipalities, then certainly, I would think it would be desirable in the L.I.D. districts as well.

This bill also makes provisions for a change of the definition of Pure Bred Sire, and I think, Mr. Speaker, this can be better dealt with in committee and with these few brief remarks I move second reading of bill No. 21.

Motion agreed to and bill read the second time

Hon. A.H. McDonald (Minister of Agriculture) moved second reading of **Bill No 12, An Act to amend The Dairy Products Act.**

He said: Mr. Speaker, this bill, is to amend the Dairy Products Act. It is one of the instances where the Regulations Committee advised the department that they were collecting a levy for which there was no legal authority to deduct, and all this bill does is to give the Department of Agriculture under The Dairy Products Act, legal authority to make deductions that have been made for many years but, as I said a moment ago, we are advised by the Regulations Committee that perhaps we didn't have the authority to do this, so we are amending the act to make certain that we do have.

With those few words, I move second reading.

**Mr. I.C. Nollet (Cut Knife):** — . . . on butter . . .



**Mr. McDonald (Moosomin):** — No, this is the deduction for cream.

Motion agreed to and bill read a second time.

Hon. G.J. Trapp (Minister of Education) moved second reading of **Bill No. 23, An Act to amend The University Act.**

He said: Mr. Speaker, this is a very minor amendment to The University Act. It takes into account the fact that teacher training is now under the university, and not Teacher's Colleges. It will also provide for one more member of the Senate. I think, with two campuses, this should be done. It deletes the words "vice-president" or "vice-presidents" and "principal".

You see, I think we are now taking into account that there are now two universities, two campuses, one in Saskatchewan, and one in Regina. It is a very minor amendment really. The amendment is required because of the change in the status of the Teachers College here. I move Bill No. 23 be now read a second time.

**Mr. H.H.P. Baker (Regina East):** — Mr. Speaker, I just wanted to comment on that, Sir, it refers to in clause 3, sub-section 1, the vice-president, or vice-presidents, the principal and the vice principal of the Regina campus shall have such powers . . .

**Mr. Speaker:** — Order! I am sorry you cannot discuss the clauses of the bill on second reading, you can discuss them in committee.

**Mr. Baker:** — Well, alright, I will stick to the principle. My thought on this, Sir, is that I would hope the Minister of Education, (Mr. Trapp) would take a look at this clause in principle to remove the terms or the titles — Principal, or Vice-Principals from the act and to give the top person here the title of vice-president, thus leaving the president of the university to give over all directions to both campuses in this province. I think it has been a real insult to give the name, or title, to our head person here, Dr. Riddell, namely, the title of principal, and this is what I am suggesting to the hon. Minister of Education, (Mr. Trapp) that he delete that title from the section and give the title of vice-president to the head man of the Regina Campus.

**Mr. Trapp:** — May I answer without closing the debate, Mr. Speaker?

**Some Hon. Members:** — No, no.

**Mr. Trapp:** — Oh. I'm sorry.

**Mr. Speaker:** — I must warn the members of the house that the mover is about to close the debate and anybody that wishes to speak, he must do so now.

**Mr. Trapp:** — I would say that what I am proposing in this bill, Mr. Speaker, is the recommendation of the Board of Governors of the university. I think we are wise to go along with what the Governors of the university have recommended.

Motion agreed to and bill read the second time.

The assembly adjourned at 4:34 o'clock.