

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session – Sixteenth Legislature
12th Day

Friday, March 1, 1968.

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

WELCOME TO STUDENTS

Mr. F. Meakes (Touchwood): — Mr. Speaker, through you and to the Members of this Legislature, I would like to introduce 46 students of the grade eight class of Ituna school who are with their teachers, Mr. Hudema and Mr. Holowatiuk and their bus driver, Mr. Filarchuk. After a visit to the RCMP Museum, they have spent some time here. We hope that they are enjoying their stay in this House and learning something of the democratic process. I am sure that we all wish them a safe journey home.

Some Hon. Members: Hear, hear!

Hon. D.V. Heald (Attorney General): — Mr. Speaker, it is my pleasure this afternoon to introduce through you to the Members of the Legislature, 37 students of the grade seven and eight class in the town of Pilot Butte, in my constituency. These students are situated in the top two rows in the Speaker's gallery, along with their teachers, Mr. Gordon, Mr. Antochow and their driver, Mr. Lawrence Walters. Now for the edification of some Hon. Members, who perhaps may not know very much about Pilot Butte, I hope I can be forgiven if I quote very briefly this afternoon, from a book written by Bob Moon who is known to many of us, 'This is Saskatchewan'. It talks about Pilot Butte. I want particularly, His Worship the Mayor, the Member for Regina South East (Mr. Baker), to listen to this, if he would.

Now on past Pilot Butte, where a large circular-based hill, incongruously set on a flat plain, is used for tobogganing in the winter. Before the white man came, Indian sentinels stood atop it to signal the approach of the buffalo herds. The tribesman below would corral the buffalo in a natural ravine, buffalo pound and there slaughter them. Not too far away, buffalo bones were stacked in large regular patterned mounds. They bleached in the summer sun, and later when the railway came through, they were shipped out for the white man's uses. Some of them lay near Wascana Creek, a few miles away from the high butte, gave the district the name Pile o' Bones. No one though it would amount to much. However, it did become Regina, the capital of the Province, Queen City of the prairies.

So I thought that all Members would be interested, this afternoon

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in knowing a little bit about the history of Pilot Butte. These students are here, they have been here most of the day. They have had the very interesting lecture, Mr. Speaker, arranged through you. They have seen the buildings and I know that they are going to be very interested this afternoon in listening to the Provincial Treasurer (Mr. Steuart) present his 1968 Budget. I know that all of us wish them a safe journey home and hope that their visit here has been very interesting, informative and instructive.

Some Hon. Members: Hear, hear!

Mr. J. Kowalchuk (Melville): — Mr. Speaker, I'd like to associate myself with the Hon. Member from Touchwood (Mr. Meakes) in welcoming the grade eight students from Ituna. They are here under the supervision of two teachers, Mr. Hudema and Mr. Holowatiuk. Their good wives also came along to help along with the trip. Now this area, Ituna, is within the Touchwood constituency, but many of the students, that are here today, come from south of Ituna and south of Hubbard and Goodeve, and do attend school at Ituna. I want to say through you, Mr. Speaker, that I hope that they have a very good day here, a very educational day. I also want to say that I wish them a safe journey home.

Some Hon. Members: Hear, hear!

Mr. J.A. Pepper (Weyburn): — Mr. Speaker, again today, I would like to introduce to you and through you, to the Members of the Assembly, a group of students located in the Speaker's gallery. These students, 20 in number, are the grade eleven and twelve students from the Goodwater high school. They are accompanied here by their Principal, Mr. Andrew Medwid and their bus driver, Mr. Elmer Erickson. Now, Mr. Speaker, this is the seventh consecutive year that the Goodwater high school has visited our Legislature during the session, somewhat perhaps of a record. I am sure that I am expressing the wishes and the desires of all the Members, when I say that we hope that this day again proves to be very educational and pleasant for them, and that their trip back home continues in the very same manner.

Some Hon. Members: Hear, hear!

Hon. C.P. MacDonald (Milestone): — I, too, Mr. Speaker, would like to take this opportunity of introducing a fine group of students through you to the Members of the House. They are from Avonlea, and are situated in the west gallery. They are accompanied by their principal and members of their staff and driver. And I would say that if I was bringing in a grade twelve class to the Legislature in the Province of Saskatchewan, I can think of no more appropriate day of all the days than when the Provincial Treasurer (Mr. Steuart) brings down his Budget. I would think that this would be an opportunity for them to see government in action and that no better occasion could be selected. I hope that they will

have a safe journey home and that their stay in this House will be an educational one this afternoon.

Some Hon. Members: Hear, hear!

ANNOUNCEMENTS

FINAL GRAIN PAYMENTS

Hon. W.R. Thatcher (Premier): — Mr. Speaker, the Saskatchewan Government for some weeks endeavored to persuade the Minister of Trade and Commerce and the Canadian Wheat Board to advance the proposed date for final grain payments of last year's crop. We, as of today, have been informed that the final oats and barley payments will commence by about March 10th. However, the Board will not be able to mail the final wheat payments until around March 25th or 26th.

CELEBRATION OF SAINT DAVID'S DAY

Hon. W.S. Lloyd (Leader of the Opposition): — Mr. Speaker, I want to join with those who have welcomed the students here today. I agree with the Minister of Social Welfare (Mr. MacDonald) when he says that this is an important day for them to be here. I approach this for different reasons. It is important for them to be here today, because this is a day of some historical importance. Today is March 1st, this is St. David's Day. I want to make one reservation, Mr. Speaker, the fact that this is St. David's Day has no relationship whatever to the fact that another David will deliver a Budget Speech later on.

Some Hon. Members: Hear, hear!

Mr. Lloyd: — I don't really think he would claim sainthood, and I doubt very much whether what he has to say, today, is going to allow him to approach that position any closer.

Some Hon. Members: Hear, hear!

Mr. Lloyd: — The point I want to make, Mr. Speaker, is one of some historical importance, I think. It occurs to me that for too long we have allowed the Spaniards, the Italians, and other groups to claim the credit for having discovered America. I have what seems to me to be incontrovertible evidence here in the March 30, 1967 issue of the Western Producer. This historical document proves without a doubt that it was indeed the Welsh who discovered America. They did so, as a matter of fact, 400 years before Columbus came here, in the year 1107 A.D. If there is any further doubt about this, it is documented in a book by someone called Lloyd and Powell in 1584. I hope that some of my friends will take the opportunity to read it. There is a bit of a gap in historical evidence between that and the next point I

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make to further prove this fact. So I'll have to ask the Members to use their imagination or do some historical extra-interpolation perhaps. It is reliably accounted that the Kootenay Indians in British Columbia have a number of very marked Welsh characteristics. They speak like Welshmen, they sing like Welshmen, they have a numerical system in which the words sound like Welsh words. In addition to that, Mr. Speaker, many of them have another well-known attribute of those of Welsh origin, they have curly hair.

Some Hon. Members: Hear, hear!

Mr. Lloyd: — It seems to me that the evidence is completely without danger of being contradicted. Furthermore, they appeared not only in this part of the hemisphere but also in Mexico, at some point later on. These are historical facts, which I think we ought to recognize on a day of this kind, Mr. Speaker. More seriously, I am sure that the Members of the Legislature will join in paying tribute to people of Welsh ancestry at this date, which is an important date for people of that ancestry.

Some Hon. Members: Hear, hear!

QUESTION

CLOSURE OF SASKATCHEWAN PULP COMPANY LIMITED, CAMP NO. 1

Mr. W.J. Berezowsky (Prince Albert East-Cumberland): — Mr. Speaker, before the Orders of the Day, I would like to direct a question to either the Premier or the Provincial Treasurer (Mr. Steuart). I have been advised that Saskatchewan Pulp Company Limited, of which the Provincial Treasurer is a director, has closed down Camp No. 1 and that about 60 men are involved in this shut-down. Most of the men are local people and a few are from Hinton, but I understand that most of the people that are laid off are people who farm in my community and who depend quite a bit on wages to supplement their meagre farm incomes. I thought maybe the Minister would like to make some comments, if he is aware of this shut-down.

Hon. D.G. Steuart (Provincial Treasurer): — Yes, I am aware of it, Mr. Speaker. I wonder what they did for a living before we brought in the pulp mill, Bill? The pulp yard is full, and we are getting ready for the spring break-up of the highways, and there have been some men laid off. This will be temporary, and they will be back at work within the not too distant future.

MESSAGE FROM HIS HONOUR THE LIEUTENANT GOVERNOR

Mr. Speaker: — The Lieutenant Governor transmits Estimates of certain sums required for the service of the Province for the 12 months

ending March 31, 1969, and Supplementary Estimates of certain sums required for the service of the Province for the 12 months ending March 31, 1968, and recommends the same to the Legislative Assembly.

Mr. Steuart: — Mr. Speaker, I Move, seconded by the Hon. Mr. Thatcher:

That His Honour's message, the Estimates and Supplementary be referred to the Committee of Supply.

Motion agreed to.

BUDGET DEBATE

Mr. Steuart: — Mr. Speaker, I rise to make the time-honored Motion of Supply. It has been somewhat of a tradition to wear a certain kind of a tie when you are doing this. I hadn't thought of keeping this tradition up, so Mr. MacDougall, our Member for Souris-Estevan, suggested maybe it was a thought that I should wear a Scotch tie. Now without revealing what is in the Budget, I think it might be a little appropriate, so I am an Irishman delivering a Budget on St. David's the Welshman's day, with a Scotch tie on, and I hope that all of the Members behind me feel like applauding me when it is all over. I'll try and keep my halo on straight.

Some Hon. Members: Hear, hear!

Mr. Steuart: — Mr. Speaker, today I have the honor of presenting to this Legislature, the fourth Budget of our Administration and my first as Provincial Treasurer. To begin with I would like to pay a tribute to my predecessor, Premier Thatcher, for the responsible and business-like way in which he conducted the financial affairs of our Province during the last four years. Saskatchewan has never been in better financial shape than it is today. The proof of this statement is evident by the fact that, according to financial institutions, Saskatchewan's credit rating recently passed British Columbia's and is now third among the provinces of Canada, just behind Ontario and Alberta. Our present favorable position has resulted from both sound Government budgeting and the rapid industrial expansion we have experienced in Saskatchewan during the last few years.

Some Hon. Members: Hear, hear!

Mr. Steuart: — This record industrial and business development has been due in no small measure to the various incentive programs instituted as part of our financial program.

As this year's Budget will indicate, our Administration will continue, in buoyant times, to balance the Budget and use surpluses whenever possible to pay off debt. We have used our

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fiscal powers not only to achieve balanced Budgets and increased development, but for other responsible goals as well. In bringing down the first Budget of the new Liberal Government in 1965, Premier Thatcher in his capacity as Treasurer stated four principles we would attempt to follow as a Government. He said we would: 1. keep our promises to the people, 2. reduce provincial taxes, 3. create a new political and economic climate to foster greater development in our province, 4. improve the living standards of our people.

I would remind the House that we have maintained those principles. We have kept faith with the people of this province. We lowered Provincial taxes. We brought about major industrial and business expansion, and the living standards of our people have greatly improved over the past four years. At the same time social programs such as education, health and welfare were expanded and improved. We in Saskatchewan now enjoy the greatest prosperity in our history and our future prospects are excellent.

However, there are weak spots in the economy, some danger signals we cannot afford to ignore. Mr. Speaker, this country faces a serious threat of inflation that must be checked. These inflationary pressures have several causes, not the least of which has been the failure of the last two Federal Governments to balance their budgets once in the last 10 years. Public demand on all levels of government in every part of Canada has also been a contributing factor.

Wage and price increases that have had little or no relation to increased productivity have also helped force inflationary pressures to the present dangerous level. Although we have conducted our financial affairs in a most responsible manner, we are, after all, only a small part of the nation, and so find ourselves faced with the consequences of other people's inflationary actions. We have contributed little as a Government to the forces of inflation, but we stand in equal danger with the guilty. Inflation, Mr. Speaker, is not only Canada-wide, it is almost world-wide. As a result, practically every country in the western world is facing an agonizing reappraisal of its fiscal policies. Great Britain is a sad example of what happens when a government pushes its expenditures on welfare past the point where they can be supported by the productivity of the nation.

Some Hon. Members: Hear, hear!

Mr. Steuart: — When this happens, everyone suffers, the poor even more than the rich because they can afford it less. Make no mistake, any government that continually lives beyond its means, even in the name of humanity, will eventually deal a cruel blow to the very people it professes to help. Inflation pushes up prices, wipes out savings and if not curbed, will end our present prosperity and jeopardize our great future as well. All governments in Canada have finally recognized the seriousness of this problem and are now taking corrective measures.

Mr. Speaker, we have already begun to face our responsibility in this regard by curtailing Government expenditures wherever possible, by instituting a freeze on public employment and by reducing our borrowing to an absolute minimum. Though these actions have been timely and helpful, much more needs to be done to solve our immediate problem. Frankly, even though our tax base has expanded greatly these last four years, it has been outpaced by the rising cost of many governmental services. Higher wages, rising costs and increased public demand have combined to push education, health and welfare costs to levels undreamed of a few years ago.

We are thus faced with four alternatives: 1. we could cut back on these vital programs. Mr. Speaker, we have trimmed and cut costs wherever we could in spite of protests from many quarters. We have gone as far as possible in this direction without endangering our basic responsibility for the education, health and welfare of our people. 2. We could embark on deficit financing. This might be necessary during a recession, but would be indefensible during an inflationary period such as we are now experiencing. 3. We could borrow the money for some of our highways, hospitals or university buildings. Again under certain conditions of easy money or low interest rates this course would have much merit. But with money as tight and as high priced as it now is, we would be adding to the inflationary pressures as well as piling up added costs for the years ahead. 4. Our fourth alternative is to raise taxes. This is the most difficult and probably the most unpopular alternative, but I am convinced it is the responsible and proper course to take at this time. Accordingly, Mr. Speaker, I will ask the House to approve certain tax increases when they consider the Budget.

Mr. Speaker, before going into detail concerning the Government's plans for spending and raising funds in the coming year, I would first like to review the highlights of Saskatchewan's economy for the past year, and outline some of our plans for the year ahead.

In 1967, most sectors of the Provincial economy showed modest gains over 1966. In some instances these gains were not as great as in previous years, but this reflected a slowing down of the Canadian economy as well as the reduction in our 1967 grain crop. Because of this, decreases were shown in the agricultural sector which affected such areas as total production, personal income and retail trade. However, in areas such as capital investment and housing, Saskatchewan's gains were greater than those made in Canada as a whole. Even with the problem of tight money and higher interest rates, housing construction was one of the bright spots of our economy in 1967. Total investment in housing was approximately 7.7 per cent higher than in 1966, an increase which was twice as great as that made in the rest of Canada. The increase in capital investment in Canada was down slightly. Again our increase was much greater, percentage-wise, than was Canada's. While the value of retail trade in Saskatchewan and across Canada did not show its usual great gain, it did rise slightly. This slow-down is further

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exemplified when we look at the non-agricultural sector of our economy. While unemployment was over 4 per cent in all of Canada, Saskatchewan only had about 1.3 per cent of its working force unemployed. Net value of non-agricultural production in Saskatchewan kept pace with or exceeded the increases nationally, and the increase in labor income was much greater than that for the rest of Canada.

Mr. Speaker, it should be noted that, if farm income had kept up to the levels of 1965 and 1966, we would have had another boom year. So if in 1968 we maintain the increases that were made in 1967 and have a better crop, our economy may again show the tremendous upward surge of the two previous years.

Mr. Speaker, I would like to deal with some aspects of Federal-Provincial fiscal relations. Two major issues were the subject of recent Federal-Provincial meetings of the Tax Structure Committee and Ministers of Finance – the Carter Commission Report on Taxation and National Medicare. The Government of Saskatchewan's views on the Carter Report were presented at the last Finance Ministers' meeting in January. While we cannot take issue with any tax proposals which would remove the inequities of our present tax system, we expressed strong reservations over the Carter Report's recommendations on the agricultural and mineral industries. A study carried out by the Department of Agriculture and the Treasury showed that there would be a substantial increase in taxes on Saskatchewan's farmers if the Carter Commission's proposals were adopted. It was evident that the Carter Commission failed to grasp the problems of the farmer and the nature of his farming operation. We concluded that, while the implementation of the Carter Commission's proposals on agriculture might be a windfall for accountants, it would be one more blow to the farmer in terms of increased taxes and the costs associated with a complicated accounting system to calculate these taxes. We rejected outright the proposal to withdraw mining tax incentives on the basis that incentives are required to encourage early development of Saskatchewan's primary resources.

A preliminary assessment of the potential impact of the Carter Commission's proposals on the mineral resources industry in Saskatchewan and Manitoba by Hedlin, Menzies and Associates Limited, confirmed our fears that the growth prospects of Saskatchewan, which are dependent on mineral resources, would be undermined. We supported the Federal Government's decision to reject the radical system proposed by the Carter Commission. Mr. Speaker, we agreed that the practical and sensible approach should be to make specific reforms of our present tax structure.

We are pleased the Federal Medical Care Plan will go into effect July 1, 1968 and I will deal with this subject in more detail when I outline the public health spending proposals. Two other meetings of the Federal and Provincial Ministers of Finance were held to discuss the economic outlook and each Government's spending and financing plans in general terms. The

Federal Government, for the first time, revealed its expenditure and financial targets for the 1968-69 fiscal year. The Provincial Governments disclosed, also for the first time, general information on their fiscal and financing plans and problems. This was an important start towards the hoped-for achievement of co-ordination of fiscal policies among all levels of government. However, this goal will be difficult to achieve. All Governments will have to agree to provide confidential information regarding their spending plans on a uniform and consistent basis. These should include municipal spending, particularly the large metropolitan centres. The basic obstacle to achieving this goal has been the failure of the Federal Government to devise fiscal policies that recognize and take into account regional and provincial differences. At the same time, we admit the failure of the provincial and municipal governments to recognize the nation's interests, needs and goals in formulating their fiscal policies. We all hope we are now on the road to solving these problems.

I will turn now, Mr. Speaker, to our fiscal position for 1967-68. In the last few years the Province has reaped the benefits of successive bumper wheat crops. In 1966-67 revenues exceeded original estimates by \$15 million. In the current fiscal year we have appreciated the traditional wisdom of setting Provincial Budgets on the assumption of an average wheat yield. We calculate that total revenues in the current fiscal year will exceed estimates by about \$3 million, or less than 1 per cent of those original estimates. Sales tax receipts may exceed the original estimate of \$50 million by \$1 million, representing a 7 per cent increase over 1966-67. If we note that, in 1967 as compared to 1966, retail sales increased by only 3.5 per cent and the capital investment rose by 8 per cent, we can appreciate the significance of sales tax returns resulting from the high level of capital investment in the Province. Gasoline tax receipts will not quite reach the original estimate of \$36.3 million. While oil royalties levelled off due to a temporary decline in the demand for Saskatchewan crude oil, bonus bids will exceed the original estimate of \$6.5 million by \$2.2 million. Significant deep-well discoveries, encouraged by the Government's oil incentive program, resulted in active oil exploration in Saskatchewan this past year. Revenue from the Federal-Provincial tax-sharing arrangements based on Federal Government estimates will be some \$3 million below the original estimate. Provincial individual income tax receipts will be \$750,000 higher than estimated. Provincial corporation income tax will be down \$1.2 million. The post-secondary education program equalization payments will be \$1.5 million higher than we estimated.

However, the Province's financial position received a serious setback when the Federal Government informed us of two overpayments totalling \$6.8 million. Saskatchewan was overpaid \$2.4 million in payments during the period from 1962 to 1966, and this will be deducted from the receipts over 12 months in 1968-69. We also received an overpayment of \$4.4 million in 1966-67 which will be deducted from the March cheque. And

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finally, revenues from the Federal Government under various shared-cost agreements as well as increases in other departmental revenues will exceed original estimates by \$3.5 million.

On the other side of the ledger, Mr. Speaker, we estimate that total net expenditures in the current fiscal year will exceed estimates by \$3 million. For example, expenditures on the highway program will be over-expended by \$3.1 million as a result of a longer construction season. The cost of fire suppression, which is an uncontrollable expenditure, will exceed the Budget by \$1.2 million. Welfare expenditures were overspent by \$1.4 million. This over-expenditure on welfare was largely due to three factors: we placed more welfare recipients in nursing homes; second, more children were admitted to child treatment centres; and third, we paid increased assistance for the special needs of welfare recipients. Mr. Speaker, when it became apparent that surplus budgetary revenues would not cover these major over-expenditures, the Government undertook measures to reduce spending in other areas to ensure a balanced budget. These deliberate measures included the staff freeze and deferment of capital projects.

As a result the Liberal Government will not only record its fourth successive budgetary surplus, but will also set aside \$750,000 for the South Saskatchewan Base Hospital, another \$750,000 for the addition to the University Hospital in Saskatoon and \$1 million for the Medicare Care Insurance Fund.

Some Hon. Members: Hear, hear!

Mr. Steuart: — I will now, Mr. Speaker, briefly review our capital financing for 1967.

1967 witnessed bond yields reaching historically high levels. While monetary policies were not overly restricted, and the rate of real growth in the economy was moderate, bond prices fell drastically. The main reason for this substantial decline was the large volume of Government debentures and public disenchantment with Government fixed-income securities in the light of sharply rising cost of living. Also the Canadian market is sensitive to the United States bond market which has reacted to the high Federal deficit caused by the Vietnam War and the United States balance of payments problem.

Mr. Speaker, during the calendar year 1967 the Province borrowed \$64.5 million, an increase of \$15.4 million from the previous year. I would like to comment briefly on the debentures issued in 1967. Sales of Saskatchewan Savings Bonds, Series No. 7 amounted to \$14,844,000 – an increase of \$2.5 million over Series No. 6. The yield to investors on these bonds, if held to maturity is 5.54 per cent. The Province was fortunate in the timing of its last long-term issue dated March 1, 1967. The 20-year bond was offered to the public at a price to yield 6.2 per cent. The timing of the issue was very favorable to the Saskatchewan taxpayer. In fact the bonds were issued at a time

when interest rates were at their lowest level in 1967.

During 1967 we borrowed from the Canada Pension Plan \$29 million. We were pleased to take advantage of this offer because of the lower interest rates that were available from this source. These amounts were advanced to the Saskatchewan Government Telephones, Saskatchewan Power Corporation, University of Saskatchewan, and the Water Supply Board. We also authorized a 20-year debenture issue dated November 15, 1967, up to a maximum of \$6.5 million to finance the four-lane highway construction program. This issue was sold to various Government and Crown corporation funds at par with interest at 7 per cent. As of December 31, \$5.6 million of this issue had been sold.

Because of the extremely high interest rates, the Government authorized the Saskatchewan Power Corporation and the Saskatchewan Government Telephones to arrange for separate three-year bank loans of \$15 million each without a Provincial guarantee. Mr. Speaker, these loans increase greatly the flexibility of the corporations to manage their cash positions and will permit the Province more latitude in obtaining long-term borrowed funds at more favorable terms.

Total debt redemption during 1967 amounted to \$19.6 million. The Government continued its policy of paying 3 per cent of the outstanding debt into sinking funds. A total of \$168 million was held in the sinking funds available for debt retirement as of December 31, 1967.

Mr. Speaker, local governments obviously faced the same difficulty marketing their debentures in 1967. Local government officials are to be commended for controlling capital spending in order to avoid borrowing at excessive rates of interest. The success achieved in selling debentures in the local market at interest rates lower than debentures marketed by large cities in other parts of Canada is remarkable. The Government under its present policy of assisting local governments in selling their debentures purchased \$2.8 million of the debentures issued. This represented almost 10 per cent of the total estimated \$29.9 million of these debentures that were issued in 1967. This total includes \$3.5 million of local authority debentures purchased under The Municipal Development and Loan Act. Mr. Speaker, I will next review the Province's Crown corporations.

Our Government believes the interests of Saskatchewan and her people will be served best by private enterprise development of resource and manufacturing industries.

Some Hon. Members: Hear, hear!

Mr. Steuart: — To the extent that Crown corporations can facilitate this economic growth or operate efficiently to achieve specific objectives not being met by private companies, they too can serve a useful purpose. Most of the Government business enterprises

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achieve satisfactory progress during 1967. Hon. Members will recall that, with the exception of the two large utilities, Saskatchewan Economic Development Corporation and the Water Supply Board, the corporations are financed through the Government Finance Office. Two of the Government Finance Office (GFO) enterprises supplying the construction industry, the Estevan Brick Plant and the Timber Board experienced strikes in 1967 and will report less favorable operating results than in the previous year. However, in total the GFO group of corporations will again record a combined operating surplus in excess of \$2 million. The plant of Estevan Brick Limited was out of production from mid-July through the construction season, as a result of a strike called by the United Glass and Ceramic Workers Union. The company will report a loss of \$48,465 compared to a profit of \$35,000 in 1966. Now with sustained operations throughout the year, a much improved result is anticipated for 1968. The Saskatchewan Timber Board encountered depressed lumber prices and difficult market conditions during the year. A strike called by the International Woodworkers of America halted production and sales through August and the first part of September. The profit earned by the corporation was reduced to \$200,000 compared to \$332,000 last year. The lumber market is showing an improving trend and, with the benefit of new production efficiency now being put into effect, a more satisfactory return should be forthcoming on public funds invested in this operation.

The Saskatchewan Transportation Company established a new volume of business, standards of service given and net operation surplus earned. Profits after provision for reserves reached a total of \$255,000 compared to last year's record of \$236,000. The Sodium Sulphate Division of Saskatchewan Minerals likewise set a new record for product tonnage. However, rising costs resulted in a slight decrease in net earnings, to \$855,000 compared to \$880,000 in 1966. The new 150,000 ton per year plant at Ingebrigt Lake was opened in August. The increased capacity made possible by this third plant will permit the corporation to maintain its fair share of the growing market.

The Saskatchewan Government Insurance Office general business has continued to expand in free competition with private insurance companies. Net premiums earned by the corporation increased seven per cent and net profit reached a total of \$726,000 in 1967. Other small business enterprises in the GFO group of corporations operated normally during the year, returning a combined surplus of \$93,000.

The corporations established to supply power, telephone services and water to individual residents and the expanding industries in our province experienced a challenging year in 1967. Of these, the Saskatchewan Power Corporation is the largest. In the past our Government has been very dissatisfied with the rate of return on investment for this utility. We were not satisfied, for example, with the fact that, when we came to power, the people owned 7½ per cent of the Saskatchewan Power

Corporation, while 92.5 per cent was financed by bondholders. Mr. Speaker, this Government does not believe the overall profit picture can be improved until more of the Company is owned by the people and less financed by the bondholders.

Some Hon. Members: Hear, hear!

Mr. Stuart: — The Government is pleased that the Saskatchewan Power Corporation has made gratifying improvements in its financial picture. In 1967 the debt-equity ration has now improved to 86.14 as compared to 89.11 in 1966. During 1967, after setting aside normal depreciation and reserves, the net profits will be \$10.9 million, or 2.3 per cent of the net plant investment in service. This is an increase of \$500,000 over the 1966 profit. In the past year the cash flow position increased from \$30.8 million to \$32.2 million. In this present fiscal year a dividend payment of \$3 million will be paid to the Provincial Treasury or approximately 25 per cent of the 1967 net income. Mr. Speaker, this is the first Saskatchewan Power Corporation dividend payment in the history of the Corporation and represents tangible tax savings to the people of this Province.

Some Hon. Members: Hear, hear!

Mr. Stuart: — In 1968 total revenues of the Corporation are expected to exceed \$100 million, reflecting a continued and sound expansion of the Province's economy. In 1968, we expect overall power consumption in Saskatchewan will increase by 11 per cent. Slightly more than \$20 million of the \$44.2 million capital program will be used to increase plant generating capacity. Work will continue on the following projects: the 187 megawatt hydro station at Coteau Creek, \$5.7 million; and the 300 megawatt steam plant at Boundary Dam, \$14.2 million. These projects are scheduled for commission in 1968 and 1969 respectively. Engineering and design work is expected to commence in 1968 on a 100 megawatt construction at Queen Elizabeth Power Station, Saskatoon, at an approximate cost of \$16 million. The Saskatchewan Power Corporation plans extension of electrical service to 11 Indian reserves, not presently being served. The estimated cost for this project is \$486,000. Mr. Speaker, the present economic boom in Saskatchewan has created many new mines and industries, all of them requiring vastly increased quantities of gas and electricity. The Saskatchewan Power Corporation will extend electrical services to three potash mines in 1968. In connection with the gas utility, gas pipeline extensions were built to supply potash mines at Delisle, Allan, Viscount, Lanigan, and the pulp mill at Prince Albert. The Saskatchewan Power Corporation plans to continue its gas extension program to approximately 20 new towns in 1968. In 1968 the Saskatchewan Power Corporation will require advances from the Provincial Treasury of \$34 million to finance its capital program.

During 1967 further progress was made in improving the financial structure of the Saskatchewan Government Telephones.

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Net profit of this Corporation in 1967 will be \$8.3 million, an increase of \$1.5 million over the net income earned in 1966. On a basis of calculation consistent with that of last year, the portion of total capital represented by Government advances was reduced from 82 per cent at the end of 1966 to 80.5 per cent at the end of 1967. Construction spending for Saskatchewan Government Telephones in 1968 will total \$22.6 million. In 1968 a second micro-wave route across the province will be completed. Telephones in service should increase by 17,000 or approximately 6 per cent. Twenty-nine manual exchanges will be converted to direct dial systems, and our Government is pleased to announce that at the end of 1968 nearly 92 per cent of all telephones in the province will be dial-operated. An amount of \$750,000 has been provided to extend telephone service to unserved areas. This represents a 50 per cent increase over the amount provided for this purpose in the current year. Mr. Speaker, the unserved area program will extend service to seven areas, with a potential of 650 new subscribers. Since its inception 11 areas have received telephone service including an estimated 581 subscribers.

Funds from operations are expected to increase by over \$1 million in 1968. A continuation of the policy of permitting the Corporation to retain approximately one half of its net income will result in requirements of new capital in the amount of \$9.3 million to finance the 1968 construction program. The Government will receive a dividend in 1968-69 of \$4,150,000 from the telephones. This is 50 per cent of the Corporation's net profit earned in 1967. Mr. Speaker, before outlining the major expenditure proposals I would now turn to the Government's fiscal forecast.

Concerning the Government's fiscal forecast for 1968-69, again we have based our revenue forecasts on the 10-year average wheat crop of 19 bushels per acre. Mr. Speaker, it is expected that the Education and Health Tax will increase by \$2 million over the revised estimate in the current year to about \$53 million. Gasoline tax revenue should increase by \$1.8 million to about \$37.8 million. Liquor profits should yield \$24 million, an increase of \$2.5 million. Tobacco taxes are expected to yield \$3.8 million. In total, we expect revenue from the consumption taxes will yield \$118.6 million.

The Province's share of income taxes, excluding the Federal Government's unconditional transfer of funds based on post-secondary education, we estimate will exceed this year's receipts by \$6 million. Twenty-nine percentage points of the individual income tax should yield \$49.5 million, an increase of \$5.3 million above the current year's revised estimate. The 20 per cent Provincial corporation income tax is estimated to yield \$14.5 million, an increase of \$.7 million. We estimate that we will receive \$17.3 million from the Federal Government based on the formula of 50 per cent of eligible post-secondary operating costs, an increase of \$1.7 million over the current year's revised estimate. This unconditional transfer of funds will be received in the form of: four points of individual income tax, which will yield \$6.8 million; 1 per cent of corporation taxable

income, which will yield \$1.5 million; and an adjustment grant of \$9 million.

During 1968-69 under the transitional arrangement, total equalization payments will be \$19.8 million, a decrease of \$6.6 million. Mr. Speaker, in two years the Government will have lost almost \$20 million in equalization payments. From the estimate of the equalization payment a total of \$2.4 million has been deducted to repay the Federal Government for the overpayment of equalization in the 1962-66 period.

Mr. Speaker, receipts from mineral resources should yield about \$38.7 million, a decline of \$1.4 million over this year's revised estimate. While it may be possible for bonus bids in 1968-69 to reach the high level of \$8.7 million in the current year, this is an unpredictable source of revenue. We believe it is more realistic to assume \$6.5 million from this source. Oil and gas revenues excluding bonus bids are estimated to bring in \$26.8 million, slightly above this year's revised receipts. Potash revenues are estimated to increase by \$330,000 to a total of \$2.4 million. In total we forecast all revenues, assuming no change in rates of taxation, would be \$313.7 million.

Mr. Speaker, turning now to expenditures, I would point out that, if the Government had approved the original request of all Government departments and agencies, we would be facing a \$61 million deficit. By working under the toughest possible criteria that, if an expenditure was not absolutely necessary for the welfare of the Province, it was deleted or postponed, we reduced this coming year's deficit to \$20 million at present levels of taxation. I now intend to outline our major spending plans for 1968-69 and the measures the Government proposes to implement in order to balance the Budget.

Mr. Speaker, I will first outline our plans for the coming year in regard to education. The total cost of education to Saskatchewan taxpayers will be over \$200 million in the coming year. Local taxpayers through their municipal taxes will have to bear approximately \$78 million of this total. The same people, as Provincial and Federal taxpayers, will pay the other \$24 million. Our Government's net expenditure in education in the coming fiscal year of \$111.9 million represents an increase over this year of \$19.1 million, a new high for Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Steuart: — Mr. Speaker, I put these figures before you in this manner to emphasize that we in Saskatchewan are spending more money by far on education than on any other governmental service. I would point out that Provincial spending on education represents one-third of our net Budget, and is more than we allocate to any other department. These then are not the actions of a people or a government that downgrades education. These figures indicate in the strongest possible terms that we have given top priority to education. Education costs to the taxpayers of this Province

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have risen in the last four years by \$70 million, and we are told there is no end to these increases in sight. With the total yearly costs to the Saskatchewan taxpayer approaching a quarter of a billion dollars, is it any wonder that the Government has asked everyone concerned with education to take a new look at how these funds are spent? We have asked the school trustees and the teachers, as well as university officials, to cut costs and hold the line wherever possible. We have insisted in closer scrutiny regarding the spending of tax dollars on education. Mr. Speaker, we are as concerned as anyone, probably more concerned than most people, with the quality of education in Saskatchewan. We must also be concerned with these ever-mounting costs and so we will insist that all phases of education, as they affect our costs, be examined in detail to ensure full value for the taxpayer.

A review of the major expenditures planned for the coming year will indicate the importance our Government places on education. We propose to increase operating grants to schools by \$2.7 million to a total of \$60.3 million. This amount will cover almost one-half of the total projected school operating costs for the coming year. We estimate that the total enrolment will level off this year with some 245,600 students in elementary and secondary schools. The Budget will provide construction and building grants for comprehensive high schools totalling \$12.5 million – net cost to the Province after Federal reimbursement will be \$5.1 million, an increase of \$2 million.

We are currently training more persons than ever before in the skills required to meet the ever-increasing demand for people with technical and trade skills, required for the expansion of industrial activity in our Province. Mr. Speaker, during the past three years, enrolments in our technical and vocational institutes have increased from 2,700 students to over 4,800 students, an increase of almost 80 per cent since we took office. Completion of the extension of the Institute of Applied Arts and Science in Saskatoon this fall will provide for more than double the present enrolment of 1,000 students in the trades and technologies. We propose to spend \$6.8 million for technical and trade training in 1968-69. In the coming year the Government will provide \$20 million operating grants to the University. This is an increase of \$3.6 million or 22 per cent, by far the largest increase of any major spending program in the Budget. No one can deny the fact that this Government is giving top priority to university spending. We propose to make a construction grant of \$10,475,000 out of budgetary revenues instead of borrowing. We commend the University of Saskatchewan for organizing a private fund-raising campaign to assist in financing its capital requirements over the next seven years. I wish to announce today that the Government proposes to match dollar for dollar of the funds received from this campaign to a maximum of \$1.5 million.

Some Hon. Members: Hear, hear!

Mr. Steuart: — This, Mr. Speaker, will be over and above the \$50 million capital grant commitment by the Government over a four-year period. We understand that the response from the campaign so far is excellent. \$1 million is included in the \$10,475,000 construction grant to the University to match any funds received before March 31, 1969. Total grants to the University will be \$30,475,000 which is almost 9 per cent of the total Government Budget. We have been assured by the Board of Governors that the proposed level of grants will enable the University to accommodate any student who meets the required academic qualifications.

Some Hon. Members: Hear, hear!

Mr. Steuart: — The University expects about 1,100 more full-time students enrolled in the coming academic year.

Mr. Speaker, the Leader of the Opposition (Mr. Lloyd) has accused the Government of overstating its level of financial assistance to the University of Saskatchewan. He claims that under the new Federal-Provincial financial arrangement the Province will be receiving \$12 million from the Federal Government solely for the University of Saskatchewan in 1967-68. Either the Leader of the Opposition is deliberately misleading the public, or he is incapable of understanding the new Federal-Provincial financial arrangement. Under this arrangement the Provincial Government receives an unconditional transfer of funds which the Government may spend according to its priorities. The basis upon which this transfer is calculated is \$15 per capita, or 50 per cent of eligible post-secondary operating costs. On the basis of \$15 per capita the Province is assured of a minimum transfer of funds of \$14.3 million, even if the Province does not give a single cent to the University of Saskatchewan. However, if the Province chooses to increase its present level of operating grant to the University of Saskatchewan, we will receive an additional transfer of funds based on 50 per cent of the increased spending by the University.

What the Leader of the Opposition has failed to comprehend is that the Provincial Government would also receive an additional transfer of funds, if it increases its spending for technology programs in Provincial technical institutes, or increases its operating grants to the local school boards for grade XII education, or increases its grants to other post-secondary colleges in the Province. For that matter, there are numerous other non-educational programs for which the Province receives Federal cost-sharing that also have a strong claim on Provincial funds. We have given education top priority, but this does not mean that our Province has no other pressing demands for public expenditures. Since we don't have unlimited funds, the more we spend on education the less we will have for these other essential services. We feel the balance which we have struck is the most realistic and beneficial to all the people of the province. The idea that Saskatchewan taxpayers get something for nothing, because we receive Federal assistance through cost-

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sharing programs is no longer valid.

Due to the economic growth of the Province and the resultant prosperity of our people we are no longer subsidized by taxpayers in richer provinces through Federal transfers of funds to this Province. So, Mr. Speaker, whether or not this grant is cost-shared, the fact still remains the Saskatchewan taxpayer is paying the Government's share of university financing. Now, Mr. Speaker, in the Public Works capital budget, a net amount of \$2.6 million or an increase of \$800,000 is provided to complete the extension to the Institute of Applied Arts and Sciences in Saskatoon and the capital building program for northern schools. In summary, this Government proposes to spend a net total of \$111.9 million on education, or an increase of \$19.1 million.

Some Hon. Members: Hear, hear!

Mr. Steuart: — Now, Mr. Speaker, this increase cannot be met on our present tax base, so, if we are to keep pace with the demands of education, we have no choice but to widen the base and increase the rate of tax. Consequently as of midnight tonight the Education and Health Tax on its present basis will be raised from 4 per cent to its former rate of 5 per cent. On April 1st the 5 per cent Education and Health Tax will be charged on hotel, motor-hotel and hotel rooms, as well as on commercial cabins and cottages. We propose to exempt persons who reside in this type of accommodation for a continuous period exceeding 30 days. On April 1st the 5 per cent Education and Health Tax will be charged on meals sold at prices in excess of \$2 or more. Also commencing on April 1st, 1968, the 5 per cent Education and Health Tax will be charged on all forms of telecommunications which will include telephones, telegrams, teletypes and private wire. Increasing this tax to 5 per cent and widening the base will produce added revenue of \$12¼ million in 1968-69.

Mr. E. Whelan (Regina North West): — What about turkey saddles?

Mr. Steuart: — If we put in donkey saddles you might be in trouble.

Some Hon. Members: Hear, hear!

Mr. Steuart: — While the revenue from this tax will still be earmarked for both health and education, I have announced it at this time to emphasize the great financial burden we must face, if we are to keep our educational system ready to answer today's needs. Even on the widened base and at 5 per cent our sales tax will still be lower than Quebec's at 8 per cent, lower than Newfoundland's and New Brunswick's at 6 per cent, and the same as in Manitoba, Prince Edward Island, Nova Scotia, Ontario and British Columbia. In other words we are still among the lowest in Canada.

Now, Mr. Speaker, I will turn to the Health Department.

Many aspects of our health services are causing us grave concern. These are: the adequacy of our present health services; the public demand on these services and the increasing pressure to add new health programs; the shortage of professional and technical personnel in the field of health; and the fact that costs for health services in effect are increasing at an alarming rate. Health costs have been rising so fast they threaten the very foundation of our existing programs.

Let us first look at our plans to improve present health programs. Now, Mr. Speaker, recognizing the need for more beds and improved facilities in the two major cities as well as other areas in the Province, we are providing a total of \$3.9 million for hospital development. This includes \$1 million for the South Saskatchewan Base Hospital in Regina, thus a total of \$3.2 million has been set aside for this project. We will provide \$1 million for extension to the University Hospital in Saskatoon. Altogether a total of \$2 million is now set aside for this necessary addition. We have also provided \$1.9 million for other hospitals throughout the Province.

Saskatchewan's mental health program has been a subject of controversy for over 10 years. In 1966 we set up an ad hoc committee of citizens to look into criticisms of the boarding-out policies of our mental institutions. We then acted upon the recommendations made by that committee. Last year the Government commissioned Dr. S. Frazier to review the entire mental health program. We have received his report and have provided \$500,000 for the first phase of implementation of his recommendations.

Some Hon. Members: Hear, hear!

Mr. Stuart: — The program to extend psychiatric services to all parts of the province will be continued by opening the Prince Albert Psychiatric Centre built at a cost of \$1.6 million. These then are some of the major changes we contemplate for existing health plans.

We face constant demands to increase the coverage under the medical care scheme and even move into new fields not now covered by Government programs. Two basic factors prevent us from considering these demands at this time. The shortage of professional and technical personnel that hampers present programs makes new ones impossible. The second factor is that costs of existing plans have become so high as to rule out further advances this year.

This brings me to our final and most serious concern, that is, sky-rocketing costs of health services. The over-all cost of the Government's health program in 1968-69 will be \$136.7 million. This amount is allocated to programs on the following basis: the Saskatchewan Hospital Services Plan, \$74.1 million; the Medical Care Plan, \$31.2 million; Mental Health, \$14.8 million; additional amount for Frazier Commission recommendations,

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\$500,000; Hospital Building and Expansion Fund, \$3.9 million; other health spend programs, \$11.7 million; capital works budget for health, \$.5 million. Mr. Speaker, I would ask Hon. Members to note that the total cost for these programs for the coming year will be up by \$16.8 million over the current fiscal year. I would also point out that the Saskatchewan Hospital Services Plan will cost an added \$8.3 million in the next year and has increased by \$66.5 million or 880 per cent since its inception 22 years ago. I have stated before that I am pleased we will receive Federal cost-sharing for medical care beginning July 1st.

To qualify under the national plan we will expand our present coverage. I am pleased to announce that, effective July 1st this year, we will extend benefits to include refraction services provided by optometrists and ophthalmologists.

Some Hon. Members: Hear, hear!

Mr. Steuart: — Coverage will be further extended to Treaty Indians and recipients of war veterans' allowance. We estimate the cost of adding these services will amount to \$2.1 million in the coming year.

This \$2.1 million added to the normal increase of \$2.3 million will face us with a total cost for Medicare in 1968-69 of \$31.2 million. We estimate that the Federal medical care scheme will provide us with \$10.7 million. Another \$6 million will be received from premium payments, leaving \$14.5 million to be found from other sources to pay the total Medicare bill. It should be noted that while both the hospital and medicare programs are in fact insurance plans, the premiums would pay less than 18 per cent in the coming year. In passing I would also note that, in spite of an offer of Federal cost-sharing, rich provinces like Alberta and Ontario are extremely reluctant to institute comprehensive medical care coverage. Their fears are based on a realistic recognition of the tremendous burden such a plan will place on their taxpayers, a problem, Mr. Speaker, we must solve or eventually face a serious financial crisis. For example, these two health plans alone, will cost \$105 million next year, based on what has already happened; and based on what has already happened, we can look forward to this total rising to over \$200 million within the next seven years. Imagine only two programs in one department costing the people of Saskatchewan over \$200 million. Even though some of this money comes from Ottawa, with cost-sharing on a national basis, the taxpayers of our province are, in reality, paying almost the total cost. Mr. Speaker, we must find a way of controlling these costs or given one or two crop failures they could undermine the financial position of the Province and possibly jeopardize these important programs.

We feel the vast majority of our people want these plans maintained and to do this they must be financially secure. Our Government believes that the amount people pay for such a

service should be related to the use they make of those services. We also feel that, if those who use a service are required to pay even a small portion of the cost, their demands may be more reasonable. We believe that even a small fee will discourage abuses of these services. For this reason, we will introduce utilization fees for hospital and medical services. The fees will be \$2.50 per day in hospitals. The utilization fee of \$2.50 per day in the hospitals will be reduced to \$1.50 per day after the first 30 days. This will reduce the burden on chronically ill and long-stay patients. These fees will be payable to the hospital. With a few exceptions the utilization fees for medical care will be \$1.50 per visit to a physician's office, and \$2.00 on all other types of visits by a physician, for example, home, emergency and hospital outpatients. There will be no charge for a physician's visit to a hospital inpatient. These charges will be payable to the doctor concerned. The Government will of course assume responsibility for paying the fees on behalf of those in need. The effect will be to reduce the gross expenditures of the hospital plan by \$3.4 million and of the medical care plan by \$4 million. These reductions will be partly offset by increased administration costs, lower Federal reimbursements and the assumption of responsibility for these fees of indigent people. The net saving to the Provincial Treasury will be about \$5 million. Mr. Speaker, it is our hope that this action will avert what could develop into a disastrous financial situation. We have made this difficult decision because we are convinced the only way to guarantee the continuance of both these plans is to keep them within the financial means of the Province and its people.

Some Hon. Members: Hear, hear!

Mr. Steuart: — Mr. Speaker, when we became the Government of this Province, we promised to do two things regarding the problems of social welfare: find employment for those able to work, provide greater assistance for those in real need, and we have done both these things. In the past three years the numbers on the welfare rolls have decreased but the cost of assistance has increased. Public assistance payments in 1968-69 will total \$21.6 million, an increase of \$3.2 million over 1967-68. The reduction in the number of welfare cases has made available additional funds to increase blind persons allowance, provide more assistance for widows, orphans, and others in need, expand our adoption program, and provide more nursing and special care homes. In an effort to further reduce the number of public assistance cases we are going to expand our upgrading courses in the two Provincial correctional centres, so that when these people leave the prisons they will not be forced to return to welfare. We will also enlarge our rehabilitative programs for public assistance recipients to enable as many as possible to obtain jobs. We feel this is money well spent.

Mr. Speaker, our adoption programs are a source of pride to this Government. Despite the progress we have shown, there remains a real need to find good homes that will accept the

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hard to place child. Additional funds will be made available for the hiring of four trained social workers for this purpose. Emphasis will continue to be placed on our Adopt Indian-Metis Children Program.

Mr. Speaker, the Government also recognizes and is prepared to assume its share of the responsibility for providing housing for the aged and the infirm. At present, the Government operates or assists in operating four geriatric centres, 82 special care homes through direct subsidies, and six others indirectly. But we have just begun to scratch the surface. The demand for these facilities is growing at a spectacular rate. Your Government feels that every effort must be made to provide these services. Therefore, \$750,000 will be made available through construction grants for this purpose. The total net expenditure for the Department of Welfare will be \$20.2 million, up \$3.1 million from the current year. This again indicates that our Government recognizes its responsibility to provide more assistance to those in need and also realizes that all the money spent on these services comes from the wage earners, the farmers and the businessmen.

Mr. Speaker, in the 1967 Provincial election campaign, our party promised during the next four years to spend \$250 million on Provincial highways and another \$50 million on municipal and urban roads and streets for a total of \$300 million. As a first step in keeping this promise, we propose to maintain the record level of highway spending set in the 1967-68 fiscal year with overall expenditures during the coming year of \$58.5 million. Total highway spending during the coming year will exceed the \$24.2 million spent in 1963-64, the last year of the CCF Government, by more than 140 per cent. An amount of \$5.4 million has been provided for the construction of 50 miles under the accelerated four-lane construction program. In the past year 42.8 miles of paving and 35.5 miles of grading were done under this program. This year we propose to finance the program out of budgetary revenue, instead of borrowing.

Some Hon. Members: Hear, hear!

Mr. Steuart: — Provision, Mr. Speaker, is also made for the following in 1968-69: the paving of 365 miles, the oiling of 785 miles and the grading of 500 miles. The Urban Assistance Program will be continued at a high level with \$4 million provided for this purpose. In the interval since our Government took office and the completion of next year's program, the Provincial highway system will have increased by 15 per cent to over 10,000 miles. The additional miles will consist of 586 miles of grid roads taken into the highway system, 458 miles of road constructed by the Department of Natural Resources and turned over to the Department of Highways, and 257 miles of new roads. Last year the total budgetary provision for Municipal Road Assistance Authority was increased by \$1 million to \$11.6 million. This level of assistance will be maintained in 1968-69.

Mr. Speaker, it is our opinion that most of the costs generated by our highway system should be borne by users of the system. The figures show that our planned spending on highways will exceed revenues from users by \$20 million based on present rates and charges. To narrow the gap and maintain this principle, I propose to increase the gasoline tax by 2 cents per gallon effective midnight tonight. As of April 1, 1968, this 2 cents will be extended to all fuel petroleum products except those used for heating purposes. The present differential between taxable and currently non-taxable fuel petroleum products of 15 cents per gallon on gasoline and 18 cents per gallon on diesel will be maintained. We expect this will increase receipts from the gasoline tax by almost \$8 million. Since even this increase will still leave a gap of about \$12 million between highway expenditures and revenue from users, I also propose to increase the fees for operators' licences, registrations of passenger vehicles, school buses and farm trucks. These new fees will mean an increase of about \$2.3 million. The details are outlined in a table at the end of my printed speech. They will be in effect for the 1968-69 licence year. In spite of the fact that Saskatchewan has a far greater mileage of highways per capita than any other province in Canada, our gasoline tax and licence fees will not exceed the national average.

Mr. Speaker, our Government continues to encourage diversification in agriculture so that a crop failure or loss of export market will not totally cripple our farmers. Grants will be made to farmers for the construction or improvement of hog production facilities in the Rural Development Area of Saskatchewan. In the current year, the Department of Agriculture expects to make grants totalling \$165,000 on 75 approved applications. In 1968-69, we will make approximately 148 grants totalling \$350,000. This means that collectively the farmers in Saskatchewan will be spending \$1,400,000 before receiving the Provincial grant. The community pasture program will include five new pastures for the year 1968-69. Of these, four will be cattle pastures and one will be a sheep pasture. This will bring the total number to 51 cattle pastures and five sheep pastures. Currently 608,000 acres are being utilized for cattle pastures and 10,900 acres for sheep pastures. Mr. Speaker, our progress in developing the South Saskatchewan River Irrigation System has been encouraging. It is anticipated that in 1968-69 we will spend a total of \$13.5 million on agriculture. This is approximately \$2 million higher than in the current year which will make it the fifth highest spending department in government. The Government will offer crop insurance in the coming year to 12,000. This is an expansion of 41 per cent from the 8,200 contracts taken up in the current year, an increase of almost 4,000 farmers. We are estimating expenditures of \$331,300 to administer these contracts. This amount is higher than the estimate for the current year by \$92,500. The Federal Government will reimburse the Province for 50 per cent of these expenditures.

Mr. Speaker, during the past year our Government established programs for legal aid to indigent persons and compensation for

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victims of violent crimes. In 1967-68 expenditures for these programs will amount to \$65,000 and \$15,000 respectively. In 1968-69 we are increasing this to \$120,000 and to \$40,000 for the continued development and operation of these programs.

I turn now to the Government's proposal for expenditures on parks and recreational areas throughout the province. We propose to continue the development and operation of Provincial parks and recreational areas at the same high level for 1967-68. Approximately \$3.3 million (gross) or \$2.9 million (net) will be spent for this purpose in 1968-69. It is the intention to concentrate on the following four areas: Lake Diefenbaker, Moose Mountain, Greenwater Lake and Echo Valley. Not only do such developments provide all areas with attractive recreational facilities, but they also act as a tourist attraction disclosing the natural beauty of our province. Up to the present time, Mr. Speaker, 64 regional parks have been established in Saskatchewan and the Government presently has before it seven new applications for assistance. We are proposing to increase grants to regional parks by \$71,540 or 25 per cent.

Value of mineral production in 1968 will go up from \$376 million to \$403 million, for an increase of 7.2 per cent. The increases in mineral production are represented by a \$2 million increase in the value of metallic minerals and a \$25 million increase in non-metallics, largely potash. Three new potash mines will commence production in 1968 – Duval (west of Saskatoon), Allan Potash, and Alwinal (near Lanigan). The high level of interest by mining companies in northern Saskatchewan, which is largely attributable to the Government's dollar for dollar incentive program, continues. 92 companies are carrying out a \$5 million program under this scheme at the present time. This Budget provides for an additional \$100,000 or a total of \$750,000 in incentive grants to encourage continued exploration in the pre-Cambrian Shield.

The Provincial Youth Agency established in 1965 to promote the expansion of youth and recreation programs for youth has proven successful. Communities with a full-time recreation director have increased by 67 per cent. Communities with local co-ordinating boards are up by 125 per cent. The Lighted School House Grant Program has opened the doors of 390 schools in 260 communities involving over 30,000 young people. To keep this program going we are providing \$100,000 in 1968-69. Next year, our grant programs will receive a total of \$228,000, an increase of \$54,000. The Provincial Youth Agency opportunity caravan will continue its very successful operation in 1968-69 at a cost of \$39,000.

Mr. Speaker, we recognize the problems facing municipalities in regard to their ever-mounting costs, coupled with the already high burden of property taxes. In an effort to ease the burden on local government, the Province has taken over most of the financing of welfare and hospital care programs from the municipalities. We intend to again increase our direct grants to local governments. We estimate that total direct Provincial

assistance to local governments will be \$88.3 million in 1968-69, an increase of \$4 million. May I also remind members that the homeowner grant, which was first introduced by our Government two years ago, has directly reduced the property tax burden, particularly for lower income groups. For many homeowners, property taxes have been reduced by as much as 50 per cent. Total grants paid, amounting to \$8.6 million, are the equivalent of a 7 per cent reduction in the total property tax in this province. When the Province's finances permit, we intend to increase the amount of the homeowner grant as well as our direct assistance to the municipalities themselves.

Mr. Speaker, ever since taking office in 1964, the present Government of Saskatchewan through the Department of Municipal Affairs has placed a high priority on the housing needs of the citizens of Saskatchewan. This Government recognized several years ago that a housing problem was developing, and therefore has, in the intervening years, placed increasing emphasis on housing programs. In 1968-69 a record amount will be made available for subsidized rental housing projects, and we will continue to invest large sums in land assembly programs. Expenditures on these programs in 1967-68 and 1968-69 have been estimated as follows: advances for subsidized rental housing projects, 1967-68 - \$706,000; 1968-69 - \$1,450,000; advances for land assembly projects, 1967-68 - \$688,500; 1968-69 - \$625,000. The Department's program for assisting in the construction of housing for people of Indian ancestry will continue to receive high priority. In addition, this Government has launched two new housing programs which are intended to further alleviate and prevent housing shortages in this province. In 1967-68, the Government initiated a program to provide housing units in resource and other areas for economic rental to employees of resource companies and service industries. Under its program the CMHC, the Province and the municipalities invest in housing projects on which economic rentals are charged. The Government proposes to spend \$500,000 in 1968-69 to develop economic rental housing units at Outlook, Watrous and special rental housing units at Assiniboia and Broadview. Also, in 1967-68 the Government provided housing units in resource areas for immediate sale to employees. Under this program the Province invests in housing projects and recovers its investment from the down payment by the employee and the balance from CMHC. In 1968-69, the Government proposes to spend \$424,000 to build more of this type of housing. We have also announced a program of acquiring and holding land for future development. CMHC and the municipal governments will participate in these programs with the Province. Mr. Speaker, this program of assistance and initiative will generate an expenditure of over \$10.7 million in housing in this Province in the coming year. Under this program 760 additional units will be built. Compare this figure with the 730 existing units which are occupied and were built over the past 14 years. This is the largest Government housing program ever undertaken in this Province. Mr. Speaker, these combined with the housing starts developed by the private sector of the economy should result in a substantial housing program for Saskatchewan in the coming year.

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Since its inception, Mr. Speaker, the Saskatchewan Research Council has been contributing to the development of our province through advanced research. During the coming year it will devote its energies towards the following areas: water supply, greater utilization of our mineral resources, and agricultural research. For these proposed projects, the Government will make available a grant of \$900,000. This amount, given to the Board by the Government, represents an increase of over \$200,000 over 1967-68.

Our Government, Mr. Speaker, takes great pride in the fact that new life has been injected into the Saskatchewan Arts Board during our term of office. Last year the premier announced the creation of the Saskatchewan Summer School of Arts at Fort San. It is anticipated that 600 young people will attend the 1968 summer school. During the coming year we intend to provide an additional \$60,000 for this program. The Government intends to continue its support of cultural activities in Saskatchewan through the Arts Board. To enable it to carry out its program, the Government will make available a grant totalling \$338,900 in the coming year.

Mr. Speaker, a gross amount of \$2.5 million has been provided to continue the construction of the Saskatchewan Centennial Auditorium in Regina in 1968-69. An additional \$750,000 gross expenditures will be required to complete the project in the following year. The estimated total cost of the auditorium is \$7.1 million and will be shared as follows: Government of Saskatchewan, \$4.9; Federal Government, \$1.25 million, and city of Regina just under \$1 million. In Saskatoon, where they have shown excellent progress in the construction of their auditorium, the Government will be making further financial assistance available in the form of an operating grant.

Mr. Speaker, during 1967-68 a third regional library, designated as the Wheatland Regional Library, was established in the province. In 1968-69, your Government intends to continue its program of providing more and better library facilities to the inhabitants of rural areas. A provision of \$100,000 has been made for the establishment of a fourth regional library.

In summary, Mr. Speaker, total budgetary expenditures in 1968-69 will be some \$338.4 million, an increase of \$35.6 million over 1967-68. However, if we add to the 1967-68 original estimates, the amount of \$9.3 million for the University of Saskatchewan capital construction and \$6.5 million for the four-lane highway program which were financed by the borrowing in 1967-68, a more comparable figure is an increase of \$19.8 million. Education received the top priority in terms of percentage of total Budget, 32 per cent, an increase of 20 per cent. Public Health will receive almost 19 per cent of the total Budget. The net budget will be lower than the level of last year due to the Federal sharing of medicare and the decision to charge utilization fees. Total highway spending will be 17 per cent of the total Budget. Budgetary expenditures will be \$9 million higher, larger because of the decision to finance the four-lane program out of revenues. Total Welfare spending will

be up by \$3.1 million and will be 6 per cent of the Budget. Agriculture's budget will increase by \$1.9 million and will now be the fifth largest spending department.

Mr. Speaker, let us look again at the total budgetary expenditures, provided for in 1968-69, of \$338.4 million. Compare this with the total revenue from all sources, which, including the new taxes and charges that I have already announced, will amount to \$336.1 million. We have a deficit of \$2.1 million.

To help bring this Budget into balance, I propose to raise the tax on cigarettes, tobacco, and cigars effective midnight tonight. The details of the increases are outlined in Table 9 at the end of my printed speech. I estimate another \$1.8 million in revenues from this increase. I also propose to increase the pari mutuel tax from 5 per cent to 10 per cent which will increase revenues by about \$160,000. I propose to remove the exemption of the Automobile Accident Insurance Fund from the 2 per cent insurance premiums this year. This will increase revenues by some \$500,000. These tax increases will produce an added revenue of \$2.5 million, now bringing the total revenue from all sources to \$338.8 million. This, Mr. Speaker, will leave us with a surplus of \$380,000 for the fiscal year 1968-69.

Finally, I turn to our capital financing. In view of the extremely high costs of borrowing and assuming that the prospects of lower interest costs appear unlikely before the end of this year, we have reduced substantially the Province's borrowing program for 1968-69. We have established the level of the 1968 advances to the Saskatchewan Power Corporation at \$35 million, to the Saskatchewan Government Telephones at \$9.3 million, and to the Saskatchewan Economic Development Corporation at \$4.9 million. Other non-budgetary requirements will total \$8 million. Non-budgetary requirements will be \$56.2 million. This amount may be higher, depending upon savings bond redemptions during 1968. We expect to finance these requirements as follows: Canada Pension Plan, \$29 million; bank line of credit for Saskatchewan Government Telephones, \$9.3 million, a total of \$38.3 million. This leaves a balance of \$17.9 million to be financed from other sources. We anticipate the sales of the Saskatchewan Savings Bond Series No. 8, which commenced last week, will result in net cash in excess of redemptions. Depending upon the net amount of savings bonds sold during this campaign, it appears that the Government will only need to borrow in the long-term market one \$15 million issue in 1968. Mr. Speaker, we have taken every possible step to refrain from committing the Province to pay over 7 per cent in interest over the next 20 to 25 years. We trust that we will see some lowering of interest rates as soon as the international financial markets improve, particularly in the United States, and if all levels of government take positive measures to reduce the rate of growth of spending.

Mr. Speaker, on concluding this address, leading up to the traditional motion of supply, I want to emphasize that this is

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a responsible Budget. The Economic Council of Canada, in its last report, has issued a note of warning to all levels of government to assume more responsible fiscal management. At my first meeting of the Federal and Provincial Ministers of Finance, I found all Canadian governments facing staggering demands compared to a relatively slower increase in their tax base. Canadians everywhere must face the hard fact that if they insist on ever-increasing governmental services, taxes must inevitably rise and Saskatchewan is no exception. I am convinced the measures I have proposed in this Budget are timely and necessary. I am also confident that we can bring the costs of our vital programs under control, if we recognize the problems and have the courage to face them. I only ask those who will criticize the tax increases to show enough courage to name the programs they are prepared to dispense with, along with the tax cuts they may suggest.

Some Hon. Members: Hear, hear!

Mr. Steuart: — Mr. Speaker, for the last seven days Members of the Opposition have been urging us to spend more and more on Government services. I hope they now show some measure of responsibility by supporting the tax increases necessary to spend some of the money that they have proposed in this House.

Some Hon. Members: Hear, hear!

Mr. Steuart: — Mr. Speaker, I move that you do now leave the Chair.

Mr. A.E. Blakeney (Regina Centre): — Mr. Speaker, the Provincial Treasurer (Mr. Steuart) has just taken his seat and has told us that this is a responsible Budget. All I can say is that it's the quietest Budget that I've heard delivered in this House since I have been here. I'm not surprised that Members on the Government side of the House had nothing to cheer about. We on this side of the House are certainly not going to cheer the imposition of new tax after new tax and they on the other side had nothing to cheer, because there are no new programs, there is nothing in this Budget to offer anything to the people of Saskatchewan but more blood and toil, tears and sweat.

Some Hon. Members: Hear, hear!

Mr. Thatcher: — No more Socialism anyway.

Mr. Blakeney: — That's right. And I fancy now that the people of Saskatchewan would hearken back to those dark days of stagnation with a little bit of nostalgia.

Some Hon. Members: Hear, hear!

Mr. Blakeney: — I think that if in fact we do arrive at a new flag, it better be edged in black . . .

Some Hon. Members: Hear, hear!

Mr. Blakeney: — . . . because we've seen this Government undergo a complete transformation. Some of us that recall the old song "What a Difference a Day Makes", that day was October 11th and what a difference it made to the Government opposite.

Some Hon. Members: Hear, hear!

Mr. Blakeney: — What a change! I remember the Budgets brought down by the Hon. Premier. We remember him; he came in here and he used to bounce down those steps with a big smile on his face with those little bags of goodies. It was then just like a second Christmas. It was certainly a different story then. We saw the Premier taking his seat and beaming at all the assembled company just as if he was Father Christmas in his reincarnation. There was the Premier, the jolly old elf, so jolly and red; he caused visions of sugar plums to bounce in our head. But Father Christmas is gone, gone without a trace and we are left with nothing but Ebenezer Scrooge.

Some Hon. Members: Hear, hear!

Mr. Blakeney: — In fact the Treasurer has done Dickens a little better, he has made it Ebenezer McScrooge. I certainly felt like advising the Provincial Treasurer, that, if he had gone into a Land Titles office and had looked at their records he would have found that they charge 50 cents as a search fee. That's a tax, and I'm sure the Provincial Treasurer didn't know that because I'm sure there isn't a single tax, that he knew about, that he didn't increase.

Mr. Steuart: — I'll mark that one down.

Mr. Blakeney: — I've no doubt about it. You'll mark it up to a dollar because we have seen every major tax increased. In the last few months we have seen liquor prices increase, we've seen the sales tax just now go up by 25 per cent.

Mr. Thatcher: — Back to where you had it.

Mr. Blakeney: — That's right. But we didn't at the same time increase the gasoline tax by 14 per cent. The Government has put in deterrent fees. When we were the Government, we paid for the health program out of the revenues of the people and not out of the backs of the sick people of this Province.

Some Hon. Members: Hear, hear!

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Mr. Blakeney: — We didn't put a sales tax on meals, we didn't put it on hotel rooms. I know that some of the Members opposite who have ventured into matrimony are probably thinking they just ventured in in time now that there's a tax on hotel rooms. This is really the greatest tax increase in the history of the Province, insofar as I'm aware. I don't know when, on a single occasion, the sales tax has been increased by 25 per cent, the gas tax by 14 per cent, licence fees by 20 per cent, a deterrent charge, 100 per cent or 1,000 per cent — it is a new tax — the tobacco tax increased by a percentage which I haven't yet calculated. I imagine that at this rate, next fall we will see an increase in the Medicare and Hospital Plan family tax. Never, as I say, have all these taxes been increased in one year. And this by a Government which, as the Provincial Treasurer had the crust to say in his Budget Speech, on page 2, was elected on a promise that they would reduce taxes.

An Hon. Member: — Good old double talk.

Mr. Blakeney: — The Government has dropped its face of Dr. Jekyll and we see the alter ego, Mr. Hyde. Provincial Treasurer Hyde has been wielding his knife today. Is there a person in Saskatchewan who isn't bleeding? He did what he had to do, I suppose, because of the financial chaos in which the Province is in. I suppose one has to ask how we got in this mess. What brought about a condition where every major tax has to be increased in one year? Well, there are two basic reasons . . .

Mr. Thatcher: — 20 years of Socialism.

Mr. Blakeney: — . . . and four years of Liberalism. The two reasons that I want to mark particularly today are the failure of the present Government in the field of Federal-Provincial relations and its rob-the-piggy-bank tactics that it practised during the past three years. In the field of Federal-Provincial relations, all of us know that this is absolutely crucial and any Provincial Government ought to be judged by its performance in this field. Members will recall that in the 1940s and 1950s, it was agreed that we in Canada would share the income tax, the corporation tax, and the estate tax which were generated all across Canada. First it was agreed that these tax yields would be averaged to the highest three Provinces. Saskatchewan always argued that these should be averaged to the highest Province. Next we got the Federal Government up to agree to increase these to the average of the highest two Provinces. Then in 1963 we thought we were home free, because in that year a Federal Liberal Government was elected on an election pledge which read as follows: A new Liberal Government will make equalization payments which will bring the other Provinces up to the level of the richest in revenue her head from shared taxes. We know the Federal Liberals were elected. In 1964 the Liberals were elected provincially in Saskatchewan. And at that very time a

revision of Federal-Provincial taxes was in store. All the Premier had to do was to go down to Ottawa, cash in on the election pledge by the Federal Liberals and bring back the money. Never had a Premier faced Federal-Provincial relations in better shape. He had an election promise from a newly elected Government. But what happened? He didn't get the Federal Government to honor its pledge; he didn't even get it to hold to the old formula. What it did was change the formula on him, with drastic consequences for Saskatchewan. No longer were we to be brought up to the level of the highest three Provinces; no longer the highest of two Provinces, certainly not the highest Province. Rather we were to be brought up to the national average. Now it just happens that Saskatchewan has a yield from these taxes which is pretty close to the national average. So we really don't get much out of a proposal which brings us up to the national average. Instead, we lose perhaps \$10 - \$20 million a year. Now I want to say again: this has nothing to do with Saskatchewan being a have province or a have-not province; in fact the calculations were based upon 1964, and whatever happened in 1964 was as a result both of the efforts of my free enterprisers on your right, Mr. Speaker, and the Socialists on your left, Mr. Speaker. Our problems are due, not to any have or have-not status, but solely and exclusively to the change in formula. Mr. Sharp, although he doesn't always look too bright these days was bright enough to take our Premier to the cleaners, and in Saskatchewan we are paying the cost of his rather expensive incompetence. It is perhaps significant that of all the Provinces in Canada, we are the only one which lost. Six of them gained, three stayed about the same and one took a real hosing. That one was Saskatchewan. Our Premier had evidently left his salesmanship at home. Symbolically, at least, he went down to Ottawa with a full treasury and he came back with a patch on his pants. Never have we done worse in our dealings with Ottawa. We've never been more ineffectively represented, and the results have never been more devastating. We are seeing the results here in this Budget which raises every tax.

Some Hon. Members: Hear, hear!

Mr. Blakeney: — You may say, "Surely even \$10 or \$20 million a year couldn't make all the difference revealed by this Budget." The facts are that you're right. Another factor is the short-run rob-the-piggy-bank tactics that the former Provincial Treasurer practised in his three years in office. During the first year in office, the Government systematically stripped a whole series of separate funds and took this money into revenue. His next step was to treat as an asset, which could be capitalized, his investment in the universities and in highways. Now by these devices he failed to pay for university capital projects out of revenue and he failed to pay for highway construction out of revenue. This allowed the Government to pretend that it was balancing its Budget when in fact it was running a deficit year after year.

Some Hon. Members: Hear, hear!

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Mr. Blakeney: — Now it may be that not one of those things was of sufficient size or sufficient importance to distort the accounts of the Province. But taken together one after another they have substantially distorted the picture. The former CCF Government believed that we should, generally speaking, balance our Budget. We operated on those principles, and the Premier in his first Budget departed from these principles. It wasn't by very much perhaps but like a little bit of pregnancy, it doesn't take it long to grow. Members will recall that in 1965 the Premier dressed up his Budget by providing the capital funds for the University by a guaranteed loan and then, you'll remember, he stripped the medicare fund of \$9 million. Not bad for a start. Then in 1966 he repeated the process. He stripped the Student Aid Fund, he stripped the Saskatchewan Public Administration Foundation. And once again he called upon the University to finance its capital building by borrowings. In last year's Budget he went one step further. The piggy banks were pretty well gone and he undertook to deficit budget in a pretty serious way. Not only did he provide that the University had to continue this process of borrowing for capital construction but he decided that he was going to borrow for highways. This simply means that \$6 million spent on highways built last year was not shown as a budgetary expenditure. The Provincial Treasurer pretended that he had a balanced Budget when in fact he had a \$6 million deficit.

Some Hon. Members: Hear, hear!

Mr. Blakeney: — Now I want to compliment the new Provincial Treasurer (Mr. Steuart), who evidently has seen the error of these practices, for laying aside these very sloppy, imprudent and improvident financing tactics. He has decided that he is going to pay for university buildings out of revenue, he has decided that he is going to pay for highways out of revenue, and he has decided apparently that he is going to show the more or less true picture of the Government in the accounts. I compliment him for that.

Now just how tough things are for the Government of Saskatchewan is illustrated by the lengths which it has had to go to in order to see that it grabs a headline on the day that the financial critic for the Opposition stands up and says something about its Budget. Now there was a time when the Premier used to board his announcements of new industries, so that he might announce one on the day that the Leader of the Opposition spoke, and one on the day that the financial critic spoke. But we have fallen on evil days and we had nary an industrial announcement this whole session. So he has come up with another tactic. It is not as good as an industry, but when driven to the extremity, the Royal Commission Report. So this year he has decided that on the day the Leader of the Opposition (Mr. Lloyd) spoke he would table the Frazier Report. And I confidently predict that on the day that the financial critic speaks on Monday, he'll

be tabling the Batten Report.

Some Hon. Members: Hear, hear!

Mr. Blakeney: — Eleven o'clock Monday morning, I'm very sure of it, that's right.

Some Hon. Members: Hear, hear!

Mr. Blakeney: — Well, this really can't be a wholly satisfactory solution for the Premier because certainly he can't pick many roses out of that Frazier Report. It's a story of neglect and mismanagement and I think that not even the plaintive reports by the new Minister of Health that he's going to do something about it, aren't very convincing. Certainly not on a Budget showing a \$500,000 increase. As I recall it, Dr. Frazier said it would take \$2 million to patch the gaping holes created by the wrecking crew brought in by the man who is now Provincial Treasurer and was previously the Minister of Health (Mr. Steuart). Now we don't really expect the Batten Report to be quite as frank and forthright as Dr. Frazier.

Some Hon. Members: Hear, hear!

Mr. Blakeney: — But all I can say is that, if it says anything about what a government should do to control the cost of living, it is bound to be critical of this Government. For certainly this is a problem which has been wholly ignored by the Premier and his Ministers. Now these royal commissions are a poor substitute for the annual list of colorful announcements by the Government which we used to look forward to. But these announcements were sometimes a good bit more colorful than they were accurate. I remember the occasion in 1965 when I spoke. On that occasion — I have the paper here — one headline said: "Deficit financing already started — Blakeney." But on that day, the newspaper headlines had two other banner announcements, the one by the former Provincial Treasurer (Mr. Thatcher) which said, "Big heavy water plant at Estevan" and the one by the new Provincial Treasurer, "Steuart says small hospitals won't close."

Some Hon. Members: Hear, hear!

Mr. Blakeney: — Well, Mr. Treasurer, that wasn't one of your better days, I could see that. That crystal ball was a bit cracked.

Some Hon. Members: Hear, hear!

Mr. Steuart: — Name a hospital which closed.

Mr. Thatcher: — Prince Albert pulp mill?

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Mr. Blakeney: — On the other hand, if I'd been where the Provincial Treasurer was today, I think I would have tabled the Batten Commission Report today in the hope that someone wouldn't look at this Budget. But then again I don't suppose the honeyed words of the lady judge are likely to obliterate the record of this Black Friday. There's a great deal more that must be said about this Budget and there's a great deal more that will be said. I'll be saying some of it on Monday. Accordingly, Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 4:32 o'clock p.m.