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| Saskatchewan | 14e | 6e | Discours sur le budget | 21 février 1964 | John Hewgill Brockelbank | Trésorier provincial | Co-operative Commonwealth Federation |

Mr. Speaker, it is my honour and privilege at this time to rise to move the traditional Motion of Supply. This is the second occasion for me to submit the annual budget to the assembly and it is again my good fortune to be able to present a bright, economic, and financial picture. All of us in Saskatchewan can be truly thankful for the favourable conditions we are enjoying.

In beginning this budget message today with the review of the economic background, I should like first to take note of recent developments at the national and international levels. Although our province has now achieved a more diversified and stable economic base, our economy still remains sensitive to events in the world beyond our boundaries.

In this context two international trends of economic significance to Canada stood out in 1963. First, economic growth in the United States, Japan and western Europe was greater than had been expected. In the United States, an expected economic decline did not materialize. Instead, although the growth rate was less than the previous year, gross national production in that country increased by five per cent. The generally favourable conditions in Canada's chief trading partners, together with devaluation of the Canadian dollar led to a significant expansion of the country's exports.

The second international trend of significance to Canada was the improvement of world commodity prices. Since a large part of our exports consists of raw materials, this has been of major benefit to our country. The most noteworthy aspect for Western Canada has been the strengthening of world wheat prices which stemmed from the dramatic improvement in the international supply-demand picture.

These favourable external trends and the bumper grain crops in the prairie region have given us a substantial boost to the Canadian economy. As a result of gross national production is now estimated at about 42.8 billions of dollars for 1963, an increase of 2.4 billion dollars or some 6 per cent over 1962. Approximately $200,000,000 of the increase is directly accounted for by the higher than average grain yields.

The large wheat sales to the Soviet Union are also rapidly transforming much of the bumper crop into cash income. The movement of grain and resulting cash flows are stimulating the Canadian economy from the Atlantic to the Pacific. It would be difficult to measure the full impact of the combination of bountiful yields and the wheat sales arising out of poor crops in China and the Soviet Union. It is regrettable that our good fortune should, in some cases, be the result of the misfortune of others. But these events surely underline in a very dramatic way the vital importance of developing permanent arrangements by which the food-producing capacity of the western prairies can be put to the service of the hungry and needy in every part of the world.

It is also worth noting that, largely as a result of expanded wheat sales, Canada's deficit on foreign trade in goods and services fell to about $400,000,000 in 1963, the lowest since 1952. The improved balance of payments situation has made it possible for the monetary authorities to follow a policy of generally easier money, and this in turn, has greatly facilitated the high rate of expansion in the national economy.

This favourable economic picture is not to suggest that all of Canada's economic problems have been solved. Unemployment still looms large in Canada. While unemployment last year was somewhat lower than in 1962, it still averaged 5.6 per cent of the labor force. Regional income disparities remained and chronic poverty exists side by side with buoyant economic conditions. Canada must do better in utilizing its resources both human and material and in making the benefits of economic growth available to all regions and to all citizens.

Against this 1963 background, what does 1964 hold? The general consensus is that Canada's economic growth will continue into 1964, but that economic problems will remain and may even be accentuated.

There are several factors that seem likely to maintain a moderate rate of growth for Canada this year. First, there is the general expectation that the international economic climate will be favourable. Secondly, business investment seems likely to rise moderately. Thirdly, both consumer and government expenditures on goods and services are expected to increase.

All of these factors taken together should sustain the continued expansion of production in the Canadian economy. The general view is that the gross national product in 1964 should reach $45,000,000,000. This would be about five per cent more than in 1963, a rate of growth that may be somewhat below that of the United States. Unemployment, however, is not expected to fall below 1963 levels.

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

I think everyone will concede that 1963 was a very good year in Saskatchewan. Many people have said, "Saskatchewan has never looked better".

First of all there was the crop. The yields were the best ever. Wheat yields are now estimated to have reached an average of almost 28 bushels per acre for a total of about 500,000,000 bushels which is coming close to two crops in one. Due mainly to grain production, the gross value of total agricultural output reached a record of $1,055,000,000 in 1963, as compared to $852,000,000 in 1962.

In assessing the Saskatchewan economy for 1963, we must then give full honours to the weather conditions and the skill of Saskatchewan farmers that made this good crop possible.

We must also allow full credit for other favourable developments in the province. Records were achieved throughout the non­agricultural sector as well. The value of mineral production reached a new high of $280,000,000, up by almost 17 per cent from 1962. Construction activity also set a new record of $431,000,000, 7 per cent above 1962. Total private and public investment is estimated at the record level of $744,000,000. The value of factory shipments, too, has continued its long-term rise, reaching a new peak of about $393,000,000. Electric power production has continued to grow at the spectacular rate which has been maintained in Saskatchewan since 1950. In total, the gross value of commodities produced in Saskatchewan is estimated at some $2,170,000,000 in 1963, more than 14 per cent above the 1962 value.

All of this has been reflected in increased economic activity in the province. Personal income reached $1,800,000,000, another new record. This is almost $1,930 per capita, substantially above the national average. Retail sales in 1963 exceeded $1,000,000,000 for the first time. Unemployment is estimated to have fallen to an annual average of 3.4 per cent, significantly below the national level of 5.6 per cent.

I believe we can also look with optimism to the future. Naturally, we cannot expect that 1964 will bring a repeat of the 1963 grain crop, but moisture conditions appear to be favourable, and it seems reasonable to forecast at least an average crop. On the basis of normal yields we can expect that the gross value of agricultural production will reach about $665,000,000. Obviously a better than average crop could greatly improve this position.

We must remember, moreover, that much of the cash effect of the 1963 crop will be felt in 1964. This year, farm cash income in Saskatchewan could approach about $900,000,000 or 25 per cent above 1963 levels. We may look forward then to continued vigorous stimulus from this section of our economy.

My expectation is that almost all other sectors of the Saskatchewan economy will set new records in 1964. It seems clear that increases in both petroleum and potash production will enable the mining industry to reach new levels. Construction activity should be somewhat above the 1963 peak. Manufacturing will show higher levels of production. Retail sales should exceed the billion dollar mark recorded in 1963. Employment should continue to rise, as the economy continues to diversity upon the strong base of resources development.

Indeed, on every hand, I see evidence of optimism on the part of Saskatchewan people and of renewed faith in the vitality of our economy.

We must also from time to time take a long-run look at the economic prospects for the province. My conclusion here is that the tide of history is on Saskatchewan's side. This province has always had an abundance of natural resources but the distance from the large centers of world population has been a hindrance to development. But more and more as the supply of resource materials closer to the principal markets is depleted, this distance from large centers becomes less significant.

Potash may be taken as an illustration. There is an increased requirement for fertilizer, of which potash is an important component. The principal existing reserve of potash in the United States is being depleted. Therefore, potash development in Saskatchewan in the future will be spectacular. Spokesmen of the industry have suggested that by the end of this decade potash production may reach a level of 9,000,000 tons annually, or 75 per cent of present total world production.

The long-run potential of other resources would seem to be promising as well. The petroleum production should mount steadily. I am personally convinced that many more discoveries of oil will be made in this province. Further developments in metal mining and in forestry can be expected. The large reserves of Saskatchewan coal will be utilized more and more. The Saskatchewan River system will be fully developed for hydro-electric power and at the same time will provide water for recreation, for irrigation, and for domestic and industrial uses.

The future for our agricultural resources in the long-run is equally bright. Increasing world demands for food will place more and more of a premium on world soil resources. This will put this province with its vast acreage in a most favorable position. Farm production in Saskatchewan should increase as the processes of science and technology are applied ever more effectively. The productivity of agriculture has increased more than that of any other sector in the postwar period. I expect this to continue. At the same time, as the provincial economic base expands, Saskatchewan agriculture will also become more diversified to meet not only the new demands for food but also the rising demands of industry.

Other processes of change can bee seen at work in the Saskatchewan economy. From 1956 to 1961 the growth of urban population in Saskatchewan was the second highest of any province in Canada.

Saskatoon and Regina, for instance, are now the third and fourth fastest growing of the major cities in Canada.

Urbanization is likely to continue although perhaps at a somewhat slower rate. As this proceeds it increases the potential for industrial development. Larger concentrated local markets and larger resources of skilled labor will provide a substantial base from which Saskatchewan farmers can serve the prairie market and, indeed, national and international markets. I believe we have seen the beginning of this with the establishment of a steel plant, a cement plant, and the chemical and fertilizer plants. The continued improvement of highways and roads, the expansion of education and training institutions on every hand, new power dams, the extension of community and utility facilities generally, the meeting of new housing requirements, all of these can be expected to maintain a high level of construction in the province. The service industries should continue their rapid rate of expansion and personal income levels should continue to rise.

Some may say that this is too optimistic a view of the future. I do not believe it is.

I turn now to an examination of the fiscal position of the province. Following two small deficits, the government recorded a budgetary surplus of $9,900,000 for the fiscal year 1962-63. The public accounts, which were tabled earlier in the session, reveal revenues of $195,400,000 and expenditures of$185,500,000. In the 1961-62 fiscal year, revenues were $149,000,000 and expenditures $152,300,000.

Mr. Speaker, I announced last year the elimination of Saskatchewan's net debt. This province is one of only three which have no net debt. Hon. members opposite, of course, take great delight in pointing only to the province's gross debt, without taking into consideration the financial assets which offset that debt. Yet surely they know that any businessman measures his net worth by totalling his liabilities and subtracting his realizable assets. Using this measure, which is identical to that of the Government of Canada, our net assets at March 31st, 1963, stood at $23,400,000.

In the current year I expect a budgetary surplus of about $7,000,000. All of the major revenue sources will exceed our estimates. Record mineral production and active exploration are pushing mineral resource revenues above the original estimate by some $1,000,000. Consumption taxes, which are sensitive to cash disposable income, will be up - the Education and Health Tax by over $6,000,000, the Gasoline Tax by $2,000,000, and liquor profits by $1,000,000. Revenues from the federal-provincial tax sharing arrangements may reach $51,400,000, instead of the estimated $49,400,000, because the national economy has grown more than was forecast a year ago.

Some expenditures have been increased, as well. The house will be asked to approve supplementary estimates of over $12,500,000. We propose, first of all, to augment the Student Aid Fund by $2,000,000, so that qualified students need not miss the opportunity for higher education because of lack of funds.

Hon. members will be asked to vote an additional $3,000,000 to the university to finance an expanded capital program at both the Saskatoon and Regina campuses. Since the university is planning on a $12,500,000 development program next year, it would have to rely on a high level of borrowing if this additional grant were not approved by the legislature.

The government has also allocated funds to permit an acceleration of provincial and municipal capital projects in the current year. The supplementary estimates include an additional $1,350,000 for highway construction. Over $1,000,000 is being provided for additional capital programs of the Department Natural Resources - primarily for recreational development and northern roads. An amount of almost $850,000 is included for more municipal water assistance grants, and a further $183,000 (net) for municipal winter works incentive programs. Capital projects of the Department of Public Works are to be advanced by some $550,000. An additional $870,000 has been allocated to school grants for capital purposes.

We considered that it was good management to make these funds available, once it became apparent that we were going to be in a favorable financial position. It will mean that these capital improvements will be of benefit to our citizens sooner than had been expected. It has also made possible an increase in winter employment, conservatively estimated at 152,000 man days.

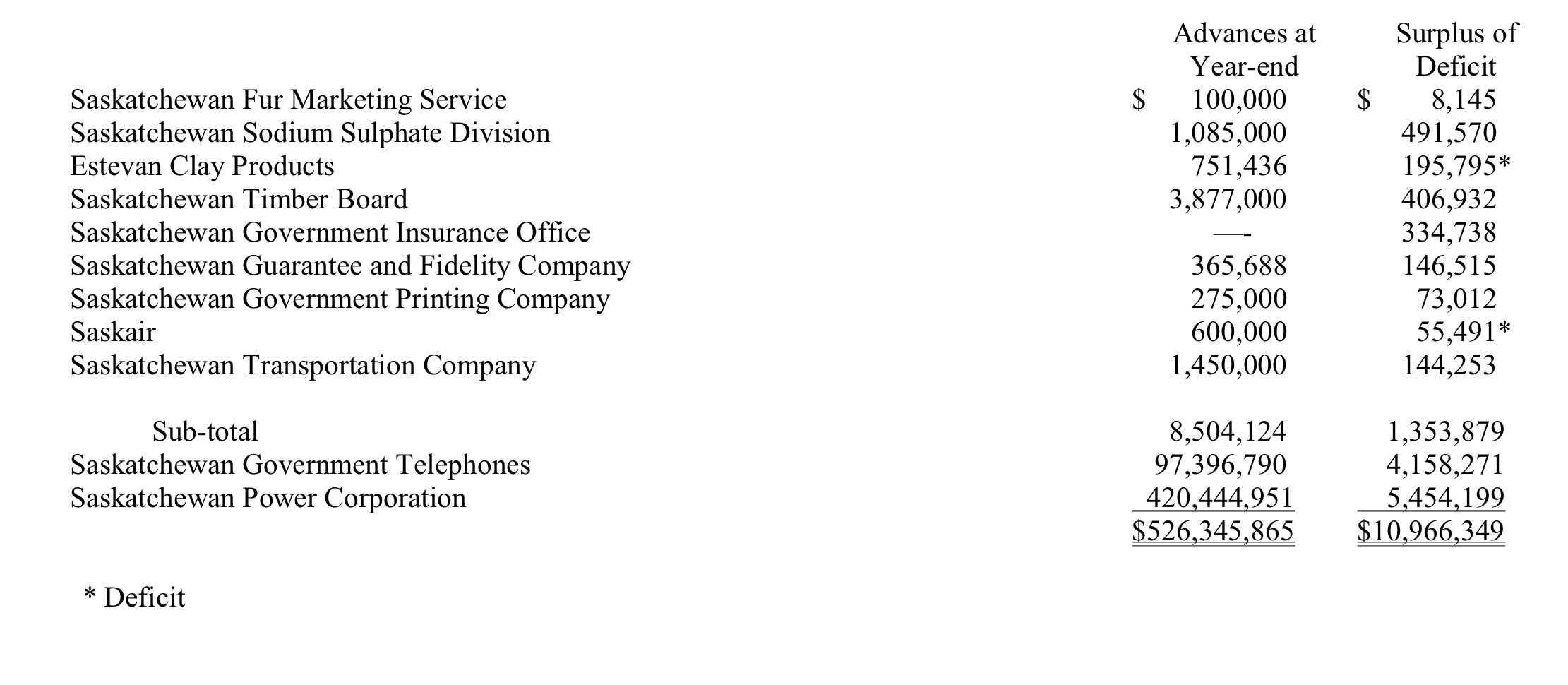
A variety of smaller items will complete the supplementary spending program for the current year. The remaining surplus will be used to reduce borrowing fro capital expenditures in 1964-65.

As for the public enterprises, their 1963 results also reflect the level of growth and development experienced in the province last year. Their total business volume rose by eight per cent continuing the rate of growth established in 1962. It is significant that the revenue to the Power Corporation from industrial electrical customers increased by nearly 30 per cent.

The wage and salary bill of the corporations amounted to $31,600,000, and on the average there were 6,200 workers employed during the year. This amounted to a three per cent increase in employment by these corporations.

Net surpluses for all the corporations totalled almost $11,000,000 - a new record figure. Both the Saskatchewan Power Corporation and the Saskatchewan Government Telephones reported significantly higher earnings. Despite losses incurred by Estevan Clay Products and Saskair, the net earnings for the Government of Saskatchewan Finance Office group of enterprises totalled over $1,353,000. This is the third highest return on record. And Mr. Speaker, I would like to go on record without reading the table, the summary of results of operations of crown corporations for the fiscal years ending in 1963.

SUMMARY OF RESULTS OF OPERATIONS OF CROWN CORPORATIONS FOR THE FINANCIAL YEARS ENDING IN 1963



As for capital financing in 1963, we borrowed $57,500,000, a decrease of $15,000,000 from the previous year. These funds were obtained from the following markets:

$25,000,000 from the United States long-term bond market; $15,000,000 from the Canadian long-term bond market; $10,500,000 from the Saskatchewan Savings bond market;

$5,000,000 from the sale of long-term bonds to various government funds; and

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

With your permission, Mr. Speaker, I should like to include a list of the 1963 debenture issues in the record.

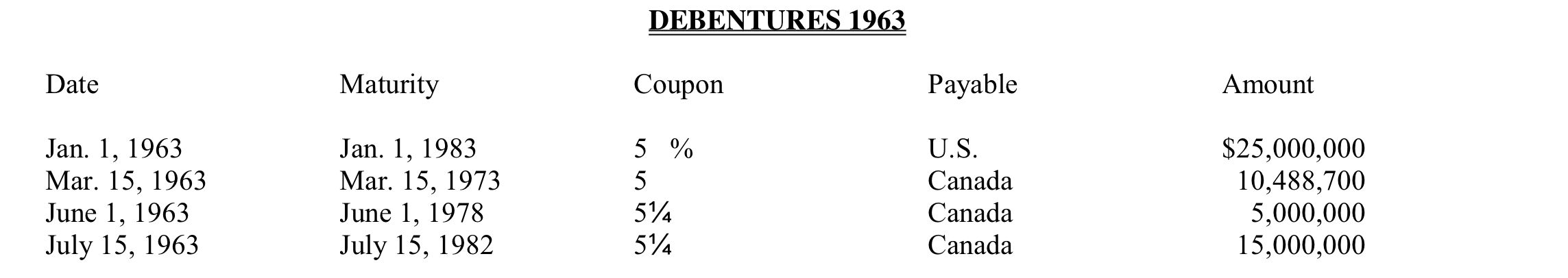
I would also like to remind members that the fourth issue of Saskatchewan Savings Bonds will go on sale on Monday, March 2nd. Once again this affords Saskatchewan people an opportunity to invest in the development of their own province, as they have done with confidence over the past three years.

Before turning to the budget for 1964-65, I would like to speak briefly about federal-provincial relations. In November, there was a federal-provincial conference on fiscal arrangements and a variety of other topics. While some important first arrangements and a variety of mutual concern such as public assistance programs, the administration of Indian affairs, and the machinery for federal-provincial consultation, we were greatly disappointed in the proposed tax-sharing arrangements for 1964-65. We had been led to believe, by the statements and even "pledges" of members of the present federal government, that the principle of equalization would be strengthened. Specifically, we had been led to expect the federal government was going to assure every province an equal return, on a per capita basis, from income and estates taxes. In technical parlance this concept has come to be described as "equalization to the top province". In fact, the formula proposed by Ottawa falls far short of this province.

The federal government proposes - first of all, to equalize the yields from income and estate taxes, not to the top province, but to the average of the top two. This, of course, means that the per capita returns in nine provinces will not reach the level enjoyed by the wealthiest province, - secondly, the present inequitable handling of resources revenue will be changed but not improved. Fifty per cent of the amount by which provincial resources revenues exceed the national average is to be deducted from the equalization payment. This is a wholly arbitrary deduction, one which is lacking both in reason and in equity, - thirdly, the federal government is proposing to increase the provincial share of the estate tax from 50 per cent to 75 per cent. However, it is not intended to equalize the yield from this additional 25 per cent. Since by far the largest proportion of big estates are located in the wealthiest provinces, even though they frequently have accumulated due to business activities throughout the whole of Canada, this change will be of benefit only to the wealthier provinces.

In effect, therefore, the federal government is departing even further from the original principles of equalization which it had pledged to reinstate. In Saskatchewan, as the Premier has stated, "we measure our - not just disappointment - but disillusionment in millions". We will be making every effort at forthcoming federal-provincial conferences to persuade Ottawa to reinstate the equalization principles which the Saskatchewan government has advocated for so long.

Mr. Speaker, I would like now to submit the budget for 1964-65 - the 20th budget presented by a CCF government. My colleagues and I reflected, as we prepared this budget, that it represents both the past and the future of the province. In it is to be found something of Saskatchewan's achievements during the past two decades; in it are to be found some of Saskatchewan's hopes for the future.



The figures tell a part of this story. Revenues have risen markedly along with our rapidly expanding economy. They are expected to reach $214,800,000 next year, up from this year's revised estimate of about $206,000,000. This is after having deducted the $5,000,000 tax reduction which was announced last fall. Expenditures have been set at $214,400,000, which will leave a small surplus of$444,000. This level will maintain the programs which were pioneered in the past and will provide for new services for the future. All of these are services designed to underwrite further economic growth and to provide additional opportunities for individual and community development.

I tried last year, Mr. Speaker, to describe the central objective of the budgets of this government. May I repeat what I said: we are seeking to achieve through the programs of positive government, "a dignified, a better and more varied life for the individual". It will be evident to all of us, I am sure, that as we succeed in achieving this goal, we will succeed also in finding and in reaching new horizons for the community as a whole. Individual self-fulfillment cannot be achieved in a static or a stagnant community; to reach out to new horizons of social and economic development is to create the conditions of individual self-expression.

This it seems to me, Mr. Speaker, is the pride of our province; the willingness to experiment, the willingness to reach for new horizons. The story of Saskatchewan is, in a sense, the story of firsts; the first to establish producer co-operatives, the first to experiment with public developmental utilities, the first to introduce more popular control into political parties and governments, the first to establish public hospital insurance, the first to establish public medical care assurance.

Mr. Speaker, there have been times - the older of us will remember them well - when these dynamics of our society seemed to have been destroyed. We emerged from the depression and from the war years, with dilapidated capital facilities, with little prospect for economic and industrial growth, and, what was worse, with little hope for the future. For a decade after that we had to preoccupy ourselves with overcoming these problems.

We in this province had to develop new and modern hospital facilities. We had to reconstruct our roads and schools. We had to find ways of bringing modern facilities to a depressed Saskatchewan; electric power, telephones, natural gas and modern amenities. We had to discover what were our resources, and to stimulate an interest in our economic potential. We had to persuade capital to come to Saskatchewan; to find people to drill oil wells, to sink potash shafts, and to establish new industries.

Such was the work of the 1940's and the early 1950's. It was in the next decade that the people of Saskatchewan rediscovered their province. We found that we did possess a rich resource endowment. We found that we could increase greatly our agricultural productivity. We found that we were capable of industrial growth. We found that we could finance a first class educational system, a first class road network, and first class community facilities. Above all we rediscovered our optimism. Out of this, Mr. Speaker, we began to reassert the pride of this province; we began to reach again for new horizons. No one can visit this province without sensing this restored confidence, this renewed dynamic.

We in the government have tried to play our part in these developments. In successive budgets, my predecessors and I have attempted to define the role the government was seeking to play, and to relate our policies to the needs of the province. This year, Mr. Speaker, I am presenting a budget which we believe to be in the spirit of the new Saskatchewan: a budget for new horizons.

The first area I wish to examine, Mr. Speaker, is that of economic development. I believe that we have before us now, more than ever before, the prospects for a continued and growing prosperity. This outlook can be attributed both to improvements in our traditional primary activity, agriculture, and to significant development in the areas of resource use and industrial production.

The strength of our agricultural industry has been dramatically demonstrated in the current year, when production exceeded one billion dollars for the first time. Good weather is not the only factor contributing to such results. Our farmers have achieved a consistent improvement in farming methods, so that we now speak in terms of an average wheat crop of 18 bushels to the acre when formerly we spoke of 15. There has also been an increasing diversification of the farming industry, as illustrated by the rise in cattle population from 1,200,000 to 2,100,000 in a ten year period. Factors such as these, bring more stability and security not only to farmers but to the whole provincial economy.

I suggest, Mr. Speaker, that the government's agricultural programs have also made an important contribution to this success. The agricultural representatives, the many information and extension programs, the government-sponsored research projects at the Saskatchewan Research Council and the university, all have aided the farmers in their search for better methods of farming. Drainage, irrigation, clearing and breaking programs have made more lands available fro more production. The community pasture program, which is now being greatly expanded, makes possible still higher levels of livestock production. Policies for sharing in the costs of acquiring breeding stock, insecticides, emergency fodder supplies, all facilitate more production and diversification.

Nevertheless, we must continue to seek for means of achieving further improvement. The government has been particularly concerned about the problems of the smaller farmer, caused in large, by changing farm conditions. In particular, the increase in farm costs relative to farm prices has meant that small holdings can no longer offer their owner an adequate standard of living. At the same time, increasing mechanization has meant that one farmer can cultivate more acres and so make up for the decreased profit per acre. Consequently, farms increase in size, with the result that some people are displaced. The hardships caused by such adjustments can be made easier through appropriate educational and welfare programs. One way to reduce this displacement to a minimum is to make possible an increase in the intensity of farming through diversification.

Many of the existing agricultural programs contribute to more intensive farming, as I have already said. This budget also contains provision for further important steps to be taken under the proposed Agricultural Adjustment and Development Act.

As hon. members may know, this new act is intended to provide a comprehensive framework for the best use of marginal or submarginal land. The technical and the administrative skills of university scientists and department officials are to be brought together to advise upon the long-term management and investment in this land. This is a necessary adjunct to the greatly expanded program of community pastures and soil conservation projects now in full swing throughout the province. It is also proposed under the act to launch a pilot program to help farmers on small units in designated rural development areas to expand their farm enterprises to economic size. The Federal Farm Credit Corporation and The Farm Improvement Act provide the major sources of farm credit. But there is at least one urgent need for credit which is not supplied by these programs, that of rehabilitation credit. Our act is designed to search out ways of filling this gap, it will make it possible for the province to loan or guarantee loans, on favorable terms to low-income farmers for expanding livestock enterprises, constructing necessary building, bringing unused lands into cultivation, and accumulating necessary working capital.

With all this emphasis on the intensive farming operations, we have not lost sight of the possibility of extending the area of agricultural production. This budget contains provision for the commencement of a feasibility study of the Saskatchewan River Delta area north-east of Nipawin, and north of Hudson Bay. Providing the conclusions of this study are favorable, we will have the opportunity of opening up for agricultural development hundreds of thousands of acres of rich delta land.

While I have been dealing largely with the economic aspects of the agricultural sector, I would not want to omit mention of those programs which are designed primarily to enhance rural life. I refer to the family farm improvement program, which has already brought modern plumbing to approximately 11,400 farm homes; the municipal sewer and water program under which almost $3,000,000 in assistance will have been given to over 160 towns and villages by the end of March. The rural electrification program, which has made electric power available to about 90 per cent of Saskatchewan farms; and the assistance to rural telephone companies, which is improving telephone services in rural areas. I think also of the market grid roads which have received enthusiastic acceptance. Some 9500 miles of the proposed, 12,000 mile network have now been built, and this budget makes provisions for loans to accelerate the completion of the network.

This is the agricultural "horizon" which we in Saskatchewan are moving toward - the family farm as a richly productive part of the provincial economy and as a comfortable and satisfying way of life.

While agricultural land has always been Saskatchewan's most productive resource, our other natural resources are adding to the prosperity and variety of life in this province to an increasing extent. In 1963, the value of mineral production reached $280,000,000 - over $40,000,000 in excess of the previous all time high.

The most exciting development today, of course, is the potash industry. Multi-million dollar plants are operating or being established at Esterhazy, Saskatoon, and Belle Plaine, with a fourth to start at Lanigan in the near future. Exploration is continuing and additional developments are certain. This industry has now joined with oil and uranium to put Saskatchewan on the map as a major mineral producer.

There is also good reason for optimism about the petroleum industry. Oil production in 1963, reached an estimated value of $166,000,000. Exploration activity has picked up considerably. Bonus bids are expected to reach $5,500,000 in 1963-64, some $1,400,000 over last year. The number of new wells completed in 1963 reached 571 - producing wells, Mr. Speaker - the highest level since 1957. Of particular significance is the discovery of oil at a deeper level than had hitherto been explored.

In the past year we have witnessed the start of another resource industry - helium - and production continues in other established resource areas: sodium sulphate, coal, timber, uranium salt, fish, fur. Meanwhile, exploration work and feasibility studies are being carried out by various companies, and if we are to be guided by past developments, there is every reason to expect that the next decade will bring more major resource developments.

This encouraging degree of development is a product of effective co-operation between private industry and government. Our resource departments have developed management policies which ensure a desirable level of conservation and utilization of long range benefit to industry and to Saskatchewan citizens alike. They have also supplied services such as geological mapping, core storage, statistical compilations, and resources inventories, which are necessary if private companies are to invest in exploration and development. The results of research projects carried out by the resource departments and the Saskatchewan Research Council are also available to industry.

In addition to these programs the government gives more direct assistance to industry, when circumstances warrant. We have incentive programs to stimulate mineral explorations in the north, and to encourage drilling for oil. We are also continuing our program of constructing resource access roads in the north. The budget contains provision to commence two major new roads, one from the Churchill River, north of La Ronge, to Reindeer Lake and one from Squaw Rapids to Cumberland House.

I want to give particular mention to one very important resource - water. We have seen significant accomplishments in the handling of this resource. The Squaw Rapids Dam and reservoir is now being utilized. The South Saskatchewan Damn will, of course, provide a major new water supply in the near future. Many smaller dams, irrigation works, and drainage ditches have been constructed by the Department of Agriculture in the past few years. Ground water surveys have been carried out, or are under way, to determine the availability of supplies under ground.

However, demands on this limited resource are growing to the extent that increasingly careful management and planning will be required in the future. It is with this goal in mind that this budget provides for the formation of a new agency, the Saskatchewan Water Resources Commission. This agency will incorporate the present South Saskatchewan River Development Commission and will assume responsibility for planning for future needs and for an equitable allocation of the existing water resources between competing uses.

It is through careful management programs like this that the government is doing its part to encourage private companies to invest in the development of Saskatchewan's resources. I believe that we in Saskatchewan now have before us a bright horizon, indeed, the full realization of the potentials of all our resources. This feeling of optimism was the key note of the resources conference at Saskatoon last month. Here is what the editor of the North Battleford News Optimist had to say:

There appears to be more real faith in Saskatchewan's future, than at any time within my memory. As a people, we have at last shaken ourselves free of the shadow of the Dirty Thirties.

I suppose if I were hunting for things which have influenced Saskatchewan most since settlement began here at the turn of the century I would have to settle for weather, depression and war. Until 1945, one seemed to grow out of the other as naturally as sugar comes from molasses

Earlier this week at Saskatoon I heard resources experts discussing the good and bad points, and I came away with a warm feeling that our future is brighter than ever before. Indeed Saskatchewan has been blessed with adequate resources for her people.

We in this province have also charted the course to new horizons in the third major sector in our economy - industrial production. For years, Saskatchewan has been pioneering in new ways to attract industry. As early as 1947, we started the Industrial Development Fund, and some 75 industries and businesses have got their start with loans from this source. It is a matter of some interest, Mr. Speaker, to note that it is only during the last five years that most provinces have got around to adopting an incentive program similar to the one originated in Saskatchewan, 17 years ago.

We have also used provincial guarantees to encourage new industry, despite resistance from hon. members opposite. Some of our largest industries got started this way: Saskatchewan Cement, the Co-operative Refinery addition, the Interprovincial Steel and Pipe Corporation, which in turn gave impetus to the formation of other industries.

In 1963, we saw a continued increase in industrial development in Saskatchewan. Of particular interest are the large new chemical and fertilizer industries, which have been commenced or announced. This past year also saw the commencement of another Saskatchewan milestone, one established by the legislature at the last session. I refer to the Saskatchewan Economic Development Corporation, in which we consolidated and reinforced the programs we had developed in previous years. SEDCO, you will recall, makes grants to industries to assist in research, in the training of the labour force and in the acquisition of equipment for new and expanded plant capacities. It makes loans to aid in the establishment of new industry, and may also assist in the provision of industrial sites and buildings.

We are gratified with the excellent reception that this new agency is being accorded. Legislation will be introduced at this session to extend its activities further. The budget provides for an advance of an additional $2,000,000 to SEDCO in 1964-65.

In the past year the new Industry Advisory Council - a joint industry-government venture for promoting industrial development - also came into being. The Council has already been of considerable assistance to the Minister of Industry and Information, and its role in the organization of the Resources Conference was of particular value.

I wish to thank the businessmen of Saskatchewan for participating with such enthusiasm and success in these new ventures.

The budget provides for other activities in the field of economic development, including the services of the Department of Industry and Information in the area of industrial research and consultation, trade information, transportation research, and training for businessmen. Provision is also made for a Women's Bureau in the Department of Labour. This new unit will give special attention to the development of vocational skills among women and girls, to the widening of their employment opportunities to the maintenance of the satisfactory working conditions and wage levels, and to the overall contribution which they can undoubtedly make to economic growth and expansion in our province.

In summary then, this combination of new industries and of new means for stimulating more industrial development offers to Saskatchewan a prospect of increasing prosperity. The fact is, Mr. Speaker, that Saskatchewan has achieved remarkable progress in the field of industrial development in recent years in spite of some geographical disadvantages and there is promise of much more to come. This success can be attributed to effective teamwork of private companies, co-operative enterprise and government. I realize that the hon. members opposite are slow to concede that this progress has occurred. I invite them to open their eyes, to look about them, to read the newspapers, and to become better informed on what is happening in Saskatchewan today.

Direct services to stimulate economic development such as I have been describing are only one part of the program. The government does much more than this to create an environment in which economic development will be encouraged. I refer to the provincial services and utilities - electric power, gas, telephones, roads - without which modern industrial and resource developments would not be possible. The production of power is a vital function of the government and it is a rapidly growing one. In 1953, the Saskatchewan Power corporation produced approximately 400,000,000 kilowatt hours of power; ten years later, in 1963, production approached two billion kilowatt hours, about five times as much. Nearly 1,000 communities and over 60,000 farms are now served with electric power, compared to about 145 communities and 200 farms two decades ago. Over 150 communities and several important industries are now served by the natural gas system which had hardly begun a decade ago. We can point out with pride to Saskatchewan's gigantic new power developments at Estevan, Saskatoon and Squaw Rapids. We can point also to the South Saskatchewan River Dam project, where work on the power plant will commence in 1964. These developments will meet the formidable new requirements for power which are caused by our rapidly expanding economy. I am particularly gratified also that this year we will fulfill our 1960 election pledge to extend natural gas to an additional 100 communities during this term of office; not only that, Mr. Speaker, we plan to go beyond the target figure.

I need hardly say that Saskatchewan could not have attracted many of its new industries if it had not been able to assure prospective companies that an adequate, economical, and reliable source of power was available. At the same time, our citizens have the advantage of all the refinements of modern living associated with electric power; and they have in natural gas, a clean and economical fuel. Public ownership and long term planning have made it possible to provide these services at a relatively low cost, despite the widely dispersed nature of our population.

Another crown corporation, Saskatchewan Government Telephones, facilitates economic development through the provision of a modern communications network. This, too, is a rapidly growing utility. In 1953, there were about 105,000 telephones on the system; ten years later, this had more than doubled, reaching 215,000. The number of community dial offices has increased from 18 to 88 in the same period, and the budget provides $2,500,000 to establish 29 more in 1964. The new microwave facilities and the introduction of direct distant dialing also illustrates the point that Saskatchewan Government Telephones is second to none in keeping up with the latest technical advance.

Efficient transportation systems are also necessary for economic development. Saskatchewan used to be notorious for its highways - rough when dry, muddy when wet. However, this is no longer the case. Despite the fact that this province has more road mileage than any other province in Canada, and a much higher per capita mileage, our road system now compares favorably with any other. Few people would have believed even just ten years ago, that Saskatchewan would have nearly 4,000 miles of dust-free highways by this time. But we do have this now, Mr. Speaker, and I am willing to predict that within the next decade we will have 8,000 miles of dust-free highways in Saskatchewan.

The 1964-65 budget for the Department of Highways and Transportation has been set at $26,700,000, an increase of almost $4,000,000 over the current year. This is the highest net provincial budget for the Highway system in Saskatchewan's history. It includes provision to increase our dust-free network by 540 miles, to over 50 per cent of the highway system.

The budget also provides for a substantial start on a new objective - the improvement of traffic routes through urban centers. We plan to increase substantially the scope of our urban assistance policy. The new policy will include assistance for ring roads and alternate highway routes through urban centers and for arterial routes which carry high volumes of provincial traffic in these centers. We are also proposing for the first time to make grants to help pave or oil main streets in smaller centers. An Amount of$2,000,000 is in the budget for these purposes in 1964-65.

This steadily improving highway system we are aiming for, together with the all weather grid road network and the expanding northern development road complex, will effectively meet the transportation requirements of our expanding economy.

Of course, Mr. Speaker, the province could not achieve this very substantial expansion of power, communication and transportation facilities without borrowing some money. I am continually perplexed at the attitude of the opposition to the gross debt. Surely the hon. members are aware that without some investment in public utilities we could never attract the industrial development they are always talking about. Surely a party which purports to stand for private enterprise has sufficient business acumen to realize that it is the usual thing to borrow money to finance capital development, and that the financial community would not advance these funds so readily if Saskatchewan really were living beyond its means - and yet, Mr. Speaker, the hon. members opposite continue to complain about the money we borrow.

No, we are not ashamed of our program for expanded public utilities and services. Our assets exceed the total of our gross debt and our investments are paying rich dividends. Indeed, this is one of Saskatchewan's brightest new horizons, for we intend to keep the public utilities up to date and growing to meet the needs of a dynamic, modern economy.

I have dwelt on economic development at some length, Mr. Speaker, because it is so much a condition of the new Saskatchewan. However, we must never lose sight of the real purpose of this development - the enrichment of the individual and the community. As Premier Lloyd said at the resources conference last month;

What is the real purpose of better resources development? It is not good enough to pile material on material. We want resource development to provide equitable opportunity, to guarantee care for the ill and comfort for the old.

Quoting Adlai Stevenson, the Premier went on to say;

We want to be able to act on the conviction that gross poverty, curable illness, racial indignity, mental disease, and suffering in old age are a disgrace amidst the surrounding luxuries, privileges and indulgence of such a wealthy society as ours.

This is at once the reason for wanting economic growth and the real horizon toward which this government is reaching.

Many of the new horizons for the individual, indeed for the community of Saskatchewan, can only be captured by co­operative action. The people of this province have always known this. What this government has done is simply to extend into new fields this willingness to use government as a vehicle for achieving individual self-fulfillment and community development.

Education is one of the most important areas of social development. Saskatchewan has made major innovations during the past two decades. The reorganization of the school system was the first step. The larger school units, which were opposed by the Liberal Party, have substantially improved the quality of public education. Increased grants have made possible the expansion of the facilities at the University of Saskatchewan, Saskatoon, and the establishment of a second campus in Regina. I am pleased to note that thanks in no small part to the initiative this government took last year, the Veterinary College will be established at Saskatoon.

Facilities for special education for the handicapped have been improved. A program of continuing education for the adult population has been established, and a big new program of vocational education ahs been initiated.

These are some of the accomplishments of the past, Mr. Speaker, but I want more to speak of our plans for the future. The budge contains, first of all, over $5,000,000 for increased school grants. This will bring the total provision for grants to $42,040,000, equivalent to over 30 mills of the total municipal tax assessment.

The University plans a record capital development program of next year of $12,500,000. Of this $4,500,000 will be financed directly from provincial grants to be supplemented, if necessary, by provincially guaranteed loans. The budget also provides a $6,678,000 operating grant to the university, an increase of almost $1,500,000. This increase ill bring the provincial operating grant to a level of $644 for each student, compared to $516 ten years ago. In addition to providing educational facilities, we must eliminate the possibility that some students may be deprived of an education because of lack of funds. It is for this reason that I have already stated you will be asked to vote $2,000,000 to increase the Student Aid Fund, up to a total permanent endowment of$5,000,000.

In the rapidly expanding area of vocational development, the budget proposes substantial further expenditure to meet new needs. Last year the new technical collegiate in Prince Albert, and the Central Saskatchewan Technical Institute in Saskatoon were opened. This year, we propose construction of a further phase of the Saskatoon institution, and the start on construction of two additional regional vocational schools. With capital assistance from Ottawa, $2,000,000 is budgeted for these purposes. At the same time, we are clearly moving into an era where occupational skills and competence are increasingly essential in employment, and where the advancing pace of technology and automation is revealing both new opportunities and new problems.

The budget, therefore, provides funds for a comprehensive study of emerging needs for vocational education and technical training in Saskatchewan, for planning and consultations with all concerned on a long range program to meet these needs, and for determining the most appropriate administrative structure to implement the program in the years ahead.

In these various ways, Mr. Speaker, Saskatchewan will continue to improve upon the high quality educational system which has been established, and will adapt it to the needs of a changing society.

It is in the field of public health that Saskatchewan is particularly noted for innovation and accomplishment. When the CCF took office in 1944, we promised fully integrated programs of preventive health and curative health. Much of this has been accomplished through health regions, hospitalization, medical care and other measures. A preventive health program is centred in the health regions, which were organized during our first term of office. Regina and Saskatoon are not part of organized regions, but we are making grants to them for health purposes. The budget provides for a 50 per cent increase in these grants to them for health purposes. The budget provides for a 50 per cent increase in these grants.

The curative health program began with free treatment for mental illness and cancer. Saskatchewan's cancer clinics are now known for the quality of their treatment; indeed they have earned an international reputation. The mental health program has produced impressive results as demonstrated by the much shorter average lengths of stay at the hospitals. The new hospital at Yorkton and the community mental health clinics are applying the most up-to-date methods to combat this health problem.

In 1947, the hospitalization plan was introduced, and it is now copied across Canada. Associated with this, Saskatchewan communities, with the help of the government grants, have expanded the number of hospitals in the province and improved their quality. The construction of the University Hospital and the college of Medicine at Saskatoon were significant steps in ensuring that the best care would be available to this province. Saskatchewan must continue to plan to meet expanding needs and to provide up-to-date-facilities. This budget contains provision for planning a new provincial hospital in Regina.

In 1962, the most recent major step towards our objective was taken with the commencement of the first universal medical care plan on this continent. This plan is now working well and the benefits of having universal prepaid medical care insurance are becoming increasingly apparent. I am pleased that we are able to reduce the personal premiums for hospital and medical care for a family to one dollar a week. As a result of this step, we are relying even more on the revenue sources which reflect ability to pay. This is a major principle behind every social advance, that those who are fortunate in a co-operative society should give aid to those who are less fortunate. All Saskatchewan citizens are now in the position where no matter what their financial situation may be, they may receive hospital and medical care when they need it.

The budget for Public Health in 1964-65 amounts to $57,000,000, up $8,500,000 from last year. It includes a $17,200,000 payment to the Saskatchewan Hospital Services Plan, a payment of almost $17,000,000 to the Medical Care Insurance Commission, and an expenditure of $12,700,000 on psychiatric services. These are undoubtedly substantial sums, Mr. Speaker, but who would stand up and say that these expenditures should not be made? Who would say that we should abandon our goal of good health and freedom from worry for all?

The fundamental principal upon which all programs for social development must start is this - no person should be deprived of the basic necessities of life. Therefore, one of the primary objectives of the CCF administration has been to establish a sound group of programs to ensure that adequate assistance to the unfortunate is available.

Our programs in social welfare are well known to hon. members. They include social aid based on need; allowances for the blind, disabled, and other handicapped persons; assistance for the aged, including the geriatric centres and grants for housing and nursing homes; a child welfare program which provides homes and care for neglected children; correctional institutions for those who break the law; and a variety of other programs designed to look after the needs of the unfortunate.

The budget for all of these programs in 1964-65 amounts to $19,000,000, an increase of $1,300,000 over the current year's provision. This will ensure that we maintain this basic protection for our citizens. Let me speak of some new objectives which we will be working toward in the next year.

The New Democratic Party and the Co-operative Commonwealth Federation, Saskatchewan Section of that Party, have long been advocating a Canada Pension plan. Such a plan - contributory and portable - would improve the security of all citizens. We were, therefore, pleased when the federal government stated its firm intention to introduce such a plan. However, the federal government now seems to be yielding to the pressures of certain interest groups and the original proposal is being considerably weakened. The size of pension benefits is being reduced from 30 per cent of average lifetime pensionable earnings, as in the original proposal, to 20 per cent. Also, the full effects of the plan are now going to be delayed so that pension benefits will not become available at age 65 until five years after the start of the plan. I can assure hon. members that as far as this government is concerned, we will continue to press for the adoption of the federal plan as originally proposed and as soon as possible.

A second venture on which we wish to embark is to consolidate and make more efficient the categories of federal-provincial welfare assistance which presently exist. We have long been pressing for an integration of these plans, so that aid may be uniformly granted to all who require it, on the basis of need. The federal government has agreed to consider this matter and it is to be studied by the federal-provincial conference. We will continue to work for this improvement.

We intend, also, to increase our efforts in the field of rehabilitation of social aid cases. It is not enough to give aid to the unfortunate; we must also attempt to assist them to live productive lives once again. The budget provides for an experimental project in rehabilitation designed to enable recipients of social aid to become self-supporting.

This emphasis will also appear in the programs for the elderly. It is important, of course, that pleasant living accommodation be made available to our older citizens. Some 5,000 people are now located in provincial geriatric centres or local nursing homes, and the budget provides for an increased amount for grants to homes for the aged in 1964-65. The report of the public survey committee on Ageing and Long-Term Illness, however, stressed the importance of helping elderly people to maintain independent lives in their own homes. We propose, therefore, to provide for a division of services for the aged, which will work with voluntary agencies and local communities in developing programs to meet this need. We also plan a pilot project for out-patient services for elderly people at the new Swift Current Geriatric Centre.

A further objective of social development requiring new emphasis is the raising of the level of welfare and prosperity among the people of northern Saskatchewan. Many advances have already been achieved in the north, I might mention the resource conservation programs, the co-operatively-owned fish processing plants and trading stores, the new schools and hospitals, the air services and northern roads, and radio, telephone and power facilities. However, living conditions in many northern communities are not up to a satisfactory standard, and the proportion of people on social aid is much higher than in the south. Population increases, due in large part to the establishment of health and welfare services, have placed heavier demands on the old resources of fish and fur, and this adds to the problem of finding a satisfactory livelihood for all. This budget, therefore, contains provision for new programs in the north.

A basic need is to secure better housing. We propose a system of grants, loans and technical assistance for this purpose. The home construction program will rely also upon the participation and nominal investment by the residents themselves, for it is desirable that they find pride and satisfaction in the accomplishment of new goals. It is also essential that new opportunities for employment be made available. Provision is made for a substantial work and wages program, and new job placement service is to be initiated. Finally, a credit program is proposed to help with the financing of new enterprises. A Northern

Development and Housing Fund is to be established with an initial capital of $250,000. This fund will make loans for housing, for new small-scale industries, and for individuals needing capital equipment for fishing, fur-farming and other business activities in this frontier region.

Saskatchewan's new horizon in welfare is therefore clear. We have achieved a basic level of security against hardships and want. We will seek to build this, to make new advances in rehabilitation, and to widen opportunities for individual self-improvement.

An advanced society is one that has achieved satisfactory levels of economic progress, one which ensures that all its citizens are receiving the basic necessities of life, one which offers to all its members the best in health care and educational opportunity. A society which has achieved this, can afford to look to still another horizon - a more abundant, a richer life. We in Saskatchewan now have this opportunity, Mr. Speaker, and we are making considerable strides in taking advantage of it.

In the field of cultural activity, the province is undertaking several new ventures. To mark the jubilee and centennial, the government will grant funds to assist with projects carried out by Saskatchewan communities. An amount of $1,425,000, equivalent to a grant of $1.50 per capita for the provincial population, will be made available for centres other than the three largest cities. One third of this amount, or $475,000, is in the budget for 1964-65. It will be voted to the Saskatchewan Diamond Jubilee and Canada Centennial Committee which will be entrusted with the task of dispensing these funds to assist appropriate projects. A further $175,000 is being granted to the committee for projects which will itself undertake.

The government plans, also, to share the cost of new cultural developments in the largest cities. Two new auditoria are planned, one in Regina, to serve the south and one in Saskatoon for the northern half of the province. A Saskatchewan Zoological Park is to be developed in Moose Jaw. An amount of $150,000 is included in next year's budget for a start on these projects.

In addition, we plan to continue our support of other cultural activities - The Arts Board, Wascana Centre, the regional library program, the provincial museums. We have also made provision for planning a new "centre for continuous learning" in Saskatchewan.

Outdoor recreation is one of the more popular and rewarding uses of leisure time. Saskatchewan is endowed with many natural features having recreational value which have been underrated in past years. It is most desirable that our citizens should be enabled to relax and enjoy the natural advantages of Saskatchewan, and we are very encouraged by what the Department of Natural Resources has accomplished with its parks programs. Saskatchewan now has 14 provincial parks, and 30 regional parks which have been established by co-operating municipalities with provincial assistance. The two operating trans-Canada campsites have been well received, and we plan to bring two more - at Moosomin and Maple Creek - into operation next summer. We have, as well, approximately 250 camp and picnic sites located along the province's highways. More provincial parks are in the planning stage, particularly in the reservoir area of the South Saskatchewan River, and additional regional parks are being planned by local groups. It is apparent, Mr. Speaker, that our recreation program is popular with the Saskatchewan people, and is attracting an increasing number of tourists from other parts of the continent. Last year there were about 1,300,000 visitors to those provincial parks in which records were kept. This public interest fully justifies the investment in these facilities, and we will continue to improve and expand the park system in 1964-65. The budget contains almost $2,500,000 for the park and recreation program next year.

This is another horizon which has been opened up to the new Saskatchewan. We have now, through cultural and recreational activities and through the availability of modern amenities, new opportunities for a fuller and more meaningful life.

I want to say a word, too, Mr. Speaker, about the public service of Saskatchewan. The many programs I have been describing can only achieve our objectives if we have an efficient and dedicated public service to carry them out. I believe that Saskatchewan has such a public service and that it is in the best interests of the province to do everything we can to keep it that way.

We have always sought to maintain the efficiency and effectiveness of the public service. That is why, in 1946, we established the Budget Bureau which was one of the first government agencies in Canada to carry out organization methods work. That is why we set up the Saskatchewan Public Administration Foundation, last year, to encourage research and educational projects relating to public service. That is why three departments have been undertaking major reorganizations in the past year, because the maintenance of efficiency is a continuous process.

The location of government services is also a matter of constant attention. It is inevitable, of course, that many government operations will have to locate in the capital city, in the interests of efficiency. However, it is desirable to keep the public service as close to the people as possible. We therefore attempt to locate as many operations as we can in other provincial centres. There have been some intimations made that our services are becoming more centralized. A recent study indicates that this is definitely not the case. While our public service has increased in size in recent years, to accommodate new programs, we find that the rate of increase in Regina has been less than half the rate in other centres. This budget contains a significant illustration of our intent to give maximum services at the local level; we are providing for a new provincial office building in Moose Jaw. We are looking at other centres in which new buildings should be provided.

I want to conclude, Mr. Speaker, by saying something about the rights of the individual. We have always tried to ensure that in the search for the general good we do no individual wrong. Indeed, it is a matter of pride that Saskatchewan has led Canada in the protection of the rights of the individual.

Let me point out some of the things which have been or are being done. Early in our administration, we introduced the Saskatchewan Bill of Rights Act to guarantee the basic rights of every citizen. The Fair Employment Practices Act was designed to outlaw discrimination against any individual. Saskatchewan was the first province in which the right to sue the Crown was established. In 1963, the legislature passed The Regulations Act, to ensure that administrative regulations would be subject to the legislature's scrutiny. This government provides assistance for legal counsel for indigents, and this is being extended in 1964-65. A new Expropriations Act is being introduced this session to make more certain that property owners are fairly treated when it becomes necessary to use their property for public purposes. And we are including in the budget for next year provision for a special legislative committee to consider the possibility that a Commissioner for Citizens Rights should be established in Saskatchewan. Such an office, similar to the ombudsman of the Scandinavian countries, would provide citizens with an avenue of appeal from administrative decisions which they consider to be unjust.

Mr. Speaker, this is the twentieth consecutive budget which has been presented to this house by members of my party. Likewise this is the twentieth fiscal year with a CCF government in this province. Eighteen of those fiscal years will have ended with surpluses totalling $108,000,000. Two ended with deficits totalling $5,800,000. Net surpluses of $155,000,000 has been eliminated and in place thereof we expect a surplus of net assets of $30,000,000.

An economic and social revolution has taken place in this province during those twenty years and it is true that "Saskatchewan never looked better". But that is no reason for us to become complacent or self-satisfied. Looking into the next 20 years I can see more new horizons for Saskatchewan - further development of our province, more improvements in public facilities and better living conditions.

These new horizons have emerged because of the accomplishments of the past. They are attainable as long as we have a government which is prepared, in partnership with the people of this province, to innovate and to strive for an ever improving way of life. These things are the pride of this province - the boldness, the optimism, the robustness of our people. Take these away and Saskatchewan becomes just another small and unimportant jurisdiction in Canada. We on this side of the house are prepared to accept the challenge of the new horizons; we invite hon. members opposite to do so, too, by supporting this budget.

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