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THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, July 28th, 1959.

MR. SPEAKER: I understand it is the intention of the House to proceed to the Ways and Means Committee.

MR. ROBLIN: Mr. Speaker, before moving the resolution I would like to make some remarks in connection with it.

Mr. Speaker, we have placed before this House in recent weeks the Estimates of Expenditures required to execute our plans for investing in the progress of this province. I now wish to present the motion that this House do resolve itself into Committee of Ways and Means in order that it may consider the matter in which such funds may be raised in support of the program proposed by Her Majesty's Government in Manitoba for the year beginning April 1st, 1959. (Perhaps if I could have a drink of water it would help me get through this little task.)

Substantial amounts of money will be required to develop Manitoba's potential for prosperity, but we are fully confident that Manitoba's great future can be realized without placing undue financial burdens on our taxpayers. Mr. Speaker, with the indulgence of the honourable members I propose to confine my spoken remarks to the highlights of the budget, although I shall of course table a complete text and supporting material. Copies of the full budget presentation will be distributed to honourable members. I do want to deal now, however, with some of the more important of the budget contents.

The Canadian economy and that of the province itself present a current picture which warrants the greatest optimism for future months. Some review of these highly favourable conditions is in order to illustrate many of the reasons for our optimism in respect of the program that we have planned.

The Gross National Product during the first quarter of the year was increasing at an annual rate of nearly 4% over 1958, and the Dominion has forecast for the full year a 7% or better gain over last year in Gross National Product. Manitoba is sharing in this renewed growth. Manufacturing production is growing again after a slight decline during 1958 and even in that year Manitoba recorded an estimated value of two-thirds of a billion dollars and maintained a manufacturing payroll at an estimated \$140 million. During the first half of 1959, new gains were reflected in rising employment, sales and corporate profits and we may expect employment opportunities to continue to increase. There is however no room for complacency — in particular we must make every effort to distribute the benefits of industrial development over the entire province. New capital investment in Manitoba in 1958 aggregated close to \$543 million and for 1959 intentions have been estimated at \$599 million, an increase of some 10%. In 1958 \$274 million was expended on the construction of new facilities, while in 1959 the estimate is for \$318 million. Last year \$129 million went to the purchase of new machinery and equipment while the outlook for this year shows an increase of seven percent to \$138 million. The total of \$93.7 million expected in 1959 for investment in Manitoba's primary production sector is near the record established in 1958.

Manitoba's trade, finance and commercial services will increase investments this year by \$7.3 millions to \$49.3 million. Power, transportation, communications, and the other services supplied by utilities, institutions and government departments and agencies will register a combined investment of over \$300 million in 1959 compared to the \$264 million total in 1958. Manitoba's manufacturers, too, are increasing annual capital investments by some \$16 million in 1959 to show a total new investment for the year of \$71 million. When one reviews the economic situation, the consistency of the gains registered and forecast gives very clear evidence of the strength of Manitoba's economy. There are many further aspects of strength in our economy cited in the full Budget text. Government and industry combined successfully throughout the past winter to provide continued job opportunities. The seriousness of the unemployment situation has greatly diminished and employment is rising. We are pleased to note that the prophets of disaster seem once more to have been successfully ignored. I might say that current employment was never higher in Manitoba than it is today.

Manitoba's farmers are making good progress in crop diversification and in their search for wider markets necessary as a result. The value of Manitoba agricultural production in 1958 was estimated to be \$265 million. This figure represents a 16% increase over the \$228

(Mr. Roblin, cont'd.) . . . million figure for 1957 and provided a record average of \$5,398. per farm. Cattle sales exceeded \$51 million, hogs brought \$19.4 million and a new high in earnings went to dairy men and poultry men. Present crop prospects are considerably brighter than a year ago. Cattle prices remain relatively favourable and the prevailing outlook is good. While hog numbers are greater than at the same time in 1958, farrowings are likely to show a decline this fall -- a factor which it is hoped would in time exert an upward influence on prices. The accelerating trend and the conversion of farm grains and fodder to higher valued and more readily marketable products is the most encouraging feature of Manitoba's agricultural economy.

But we must face the fact that while early indications for 1959 are reasonably good, the farmer's net income position is still unsatisfactory. Of the problems that confront present day farmers, the most serious continues to be the persistent "cost-price squeeze". Many farmers have had considerable success in reducing production costs by increasing efficiency and by expanding mechanized operations. However, there is a limit to the effectiveness of internal efficiency alone.

The government believes that it is essential to continue in the formulation of progressive agricultural policies. We have enacted the Manitoba Agricultural Credit Act to create additional credit facilities. Capital for farm development will thus be more easily available. Special provisions in the Manitoba's legislation have also been added or will be added in a day or two -- to make capital available to young farmers at a lower rate of interest. Our test crop insurance proposals are also an important step forward. Our research programs have been expanded and directed towards widening the income base for agriculture, and the conservation of water resource development is also being pressed. Given large, highly mechanized units, fewer people are now required on our farms. But those who do remain in farming will require the basic scientific and business management training that this Government's enlarged agricultural education program has been designed to provide. Recently initiated Farm Business Study Groups organized in rural centres have similar objectives. Additional funds for bursaries are also being provided.

Manitoba's agriculture is basically sound, but no sector of the economy can be permitted to remain static. The farmer knows that growth and change mean survival. In the past months we have undertaken a complete re-organization of the Department of Agriculture, and henceforth the Department will also take on responsibility for water control projects.

Many of Manitoba's primary resource fields comprise tremendous and as yet relatively untouched potential. The Government will work through the Economic Development Authority, first to protect the public interest, and then to mobilize private capital and techniques for resource development. Our resource fields will eventually become major sources of revenue to Manitoba. The citizens of Manitoba can confidently expect a return many times over the public investment that is being made.

The Manitoba Development Fund is well advanced on its program to promote industrial prosperity in the province, and the Minister gave, in my opinion, a very impressive report the other day when he spoke in the Committee of Supply. And we've also established a new Regional Development Branch in our Department of Industry and Commerce. We are providing major additions to our growing network of highways to carry the commerce we confidently expect to increase, particular in northern areas. The economy depends more and more upon our highways and local roads to facilitate the flow of raw materials to our industrial plants and the distribution of finished goods to the customer. Agriculture is also vitally interested in this network. The investment in roads is vital and one which will bring increasing returns over the years to the people of Manitoba.

Power is also of the utmost importance in the success of our proposed undertakings. We've already provided for an increase in our power installations at Kelsey, and the Manitoba Power Commission is now expanding into the area of the Province north of the 53rd parallel.

Mr. Speaker, I should like to emphasize that a necessary and integral part of the Government's concept of provincial growth comprises investment in human resources. We have proposed broad new investments in the field of education, social and health services, to promote the development of a balanced and prosperous community. Hand in hand with the recent school organizations we have provided greatly increased education grants. We've gone further than

(Mr. Roblin, cont'd.) . . . has been the case in any previous period of the province's development to provide educational equality for all. With the improvement in our secondary school opportunities we may expect a sharp increase in the flow of applicants to our Universities and colleges. We have greatly increased financial assistance in this vital area of our educational system. In 1959-60 this Government is proposing to devote \$1. out of every \$3.50 in provincial revenue in the support of our educational program. We believe that the sound planning of our provincial growth demands this investment.

The Government is advancing a wide range of essential activities in the area of health care and administration. The Manitoba Hospital Insurance Plan is operating well. The need for increased beds for the care of the chronically ill has been partly met by a joint agreement with the Dominion Government and the Sanatorium Board of Manitoba, whereby vacant beds in sanatoria have been made available for extended treatment cases. Arrangements have also been completed with the Sanatorium Board for the building of a much needed rehabilitation and convalescent hospital. The Hospital Services agreement with the Dominion Government was amended in January to include a specified list of surgical procedures as well as electro-shock therapy in out-patient services.

No society, Mr. Speaker, can afford to do less, within its capacity, than is needed in the way of social security measures. While the new programs which we've added will require additional appropriations, the Province of Manitoba will share the major cost equally with the Dominion Government and we are continuing to urge the sharing of administrative costs and other improvements in such joint undertakings. By providing sustenance and shelter from economic storms to those of our citizens who cannot fully provide this sort of security for themselves for whatever reason, we shall do our duty to our neighbors in a fuller and more acceptable way. Our Social Allowance program will recognize need and will match that need with aid. Other major improvements in the social service fields have been planned. Probation services, training homes, social allowances, education, improved labour laws, more adequate public service remuneration, increased efficiency in administration, are all essential parts of our human resources program. We have stressed integration and balance, and we believe that our plan will achieve that for the people of Manitoba.

The programs which have been outlined in this House heretofore involve a comprehensive portfolio of investment in the progressive future of Manitoba. Our investment in economic resource development authorized at this session will total \$74.7 million. Our total program can be expected to provide, at a conservative estimate, for about 23 million man-hours of employment. Within this substantial developmental investment is provision in 1959-60 for an additional \$31.2 million for highways.

While this \$74.7 million investment in economic resource development for 1959-60 represents over half of our current and capital budget, including utility capital, we have still been able to increase investment in human resources by nearly one third over 1958-59, from \$42 million to \$54.8 million. Investment in human resources now represents almost 40% of the budget, about one dollar out of every two dollars of current provincial revenue is now going to human betterment.

I would draw the attention of the House to the fact that general administrative services, not directly connected with development in either the natural resource or social service areas, now require less than 10% of the provincial budget. In total we have provided for \$143.5 million for 1959-60 as investment in economic development, human betterment and service programs now going forward under the Provincial Departments, Agencies and Public Utilities.

The Expenditure Estimates for 1959-60 total \$84,601,442. on current account. Main estimates for the last year indicated a current expenditure of \$81,032,029. The current account expenditures together with capital supply for purposes, other than those of our "self-sustaining" utilities, total to \$121 million odd this year as compared with approximately \$105 million for 1958-59. The greatest increases have been in the Department of Education -- up \$7.5 million; Agriculture and Conservation -- up \$2.9 million; Health and Welfare -- up \$5.2 million; and figures for the other departments also vary somewhat from the 1958-59 estimates.

I will be placing before the House the Revenue Estimates for 1959-60. In doing so I would like to review one other important change. As we all know, the Province of Manitoba receives very substantial income each year in the form of interest on its investments. At the

(Mr. Roblin, cont'd.) . . . same time the province pays out interest to the holders of its provincial debt securities. These can normally be considered as off-setting items and the real interest cost to the Treasury is the difference between our interest revenue and our interest expenditure. The Dominion Bureau of Statistics, in its comparative analysis of the debt charges of the various provinces, has for many years past subtracted from the interest payments that provinces pay to the holders of their debt the interest that the provinces recover from their investments and from their utilities. We have followed this practice with respect to the interest which we recover from our utilities, but have been taking into revenue the interest from the other investments and advances. In line with the Dominion Bureau of Statistics concept, we are this year showing our major interest receipts on investments as an off-set or deduction from our interest out-payments. This is an extension of a practice begun about five years ago by the previous administration of showing the interest received from our utilities as an off-set to our interest expenditures.

As the Estimates clearly indicate, this method of presentation shows that the net interest cost to the people of Manitoba of the so-called "dead-weight" debt of the province is expected to be somewhat less than \$8,000 in the present year.

Some of the changes in revenues for the current year that may be expected are as approximately as follows: Taxes on Motive Fuel and Gasoline are up by \$845,000. Liquor Profits will be higher by \$1,350,000. Auto and Driver's Licenses are up by \$950,000. Canada's contribution under The Unemployment Assistance Agreement is up \$1,239,000.

Honourable members will notice other changes in the Estimates of Revenue, and I will speak in a moment or two about these and about our tax policy for this year.

Expenditures in 1958-59 totalled to approximately \$81.6 million and revenues aggregated \$85.3 million. As a result, for the 1958-59 fiscal year, the surplus on current account was something over \$3.7 million.

In order that the people of Manitoba may benefit fully from this money collected during the fiscal year 1958-59 and in order that the Government may proceed to provide the maximum in efficient services for the present fiscal year within the bounds of sound economy, we propose to bring this current account surplus from the past fiscal year -- 1958-59 clearly identified as such -- into current revenue for 1959-60. As a matter of common sense, surplus moneys collected from current taxation in any given year should be available for current account as well as capital account expenditures. I say this, noting at the same time, that all of our regular debt retirement and sinking fund provisions have been and are being fully maintained for both the past fiscal year and the one which began on April 1st, 1959. I also comment in passing that there are many items in the current expenditure budget for this year that could be considered capital account type expenditures -- these total to much more than the \$3.7 million surplus for 1958-1959.

For 1959-60 a total of some \$89,949,190 in revenue account will be available to provide for the main supply or current account expenditures of \$84,601,442. This will provide an estimated surplus on current account of \$5,347,748 at the end of this fiscal year on March 31st, 1960. In other words, we had a balanced budget at the close of the 1958-59 fiscal year and in the 1959-60 fiscal period we will be operating with the full expectation of a substantial current account surplus at the end of the year. Manitoba has rightly been proud of her balanced budget position, and I am happy to have been able to present a budget for the 1959-60 fiscal year that is in balance and, in fact, one in which a substantial surplus is in prospect for the close of the year.

We are happy to acknowledge a considerable reflection of economic buoyancy in our revenues arising through our fiscal relations with the Government of Canada. Manitoba will receive through the tax-sharing arrangements with the Dominion additional revenues totalling over \$3.5 million in 1950-60, as compared to earlier indications for the year. Furthermore, we will receive another \$527,000 because of the sharp increase in our recognized population figures. The official Dominion Bureau of Statistics estimate of Manitoba's population is 885,000 for the first of June, represents an absolute gain of 15,000 people since last June or at least 50 percent more than has been recorded in population gains for this province in any but two of the last 13 years.

So, Mr. Speaker, I am able to place before the honourable members an estimate of

(Mr. Roblin, cont'd.) . . . revenue under the tax-sharing arrangements of \$38, 115, 000 for 1959-60. This estimate of Manitoba's tax-sharing payments is thus nearly \$5 million above the \$33, 202, 000 actually received in respect of the 1958-59 year under the tax-sharing arrangements.

We have recorded other gains from Dominion-Provincial co-operation in the past year. Our social allowances program has been made possible in large measure by agreement achieved with the Dominion Government qualifying our program for full cost-sharing. The estimated additional financial benefit to Manitoba will reach \$2 million annually and I think a good deal more as time goes by when the full program of social allowances has been established.

New cost-sharing benefits under the hospital services program will mean a cumulative gain to the Province of approximately \$1 million when all have been put into effect.

The winter-work agreement with Ottawa produced nearly \$700, 000 in federal contributions towards nearly 100 projects employing more than 1, 500 men.

The full picture is one of very substantial improvement in Manitoba's position in the Dominion-Provincial partnership. In 1957-58, Ottawa's contribution to programs jointly administered with the Province stood at \$8, 378, 000. This year, preliminary figures indicate a total Dominion contribution of \$24, 855, 000 of which, of course, contributions to the Hospital Services Plan accounts for \$11.6 million. In short, annual Dominion contributions have very nearly tripled in two years, Mr. Speaker, and many of our joint undertakings are still being developed, and many new projects are in prospect. This rise, from an \$8 million contribution to almost \$25 million annually in two years, covers nearly every category of service and development. And when some of our programs have been operating for a full year, that increase will be even larger than the figure that I have stated. Furthermore, Mr. Speaker, the \$38.1 million tax-sharing payment this year is nearly \$6 million above the 1957-58 payment -- the change from 10% to 13% in the standard personal income tax rate in the tax-sharing formula, first implemented last year, has accounted for over \$4.6 million of additional revenue to the Province of Manitoba.

Another Dominion-Provincial meeting has been scheduled for October as a result of the recent discussions in Ottawa and we have every hope that Canada's economy will continue to show growing strength and that we may expect further improvements in our fiscal arrangements before the end of the year.

We have included in the Estimates an aggregate increase in Municipal Aid approximating \$9.7 million. This increase arises from major changes effected in Education -- \$4.8 million; Health and Social Welfare -- \$2.8 million; Highways and Public Works projects -- \$1 million; Drainage Construction, Soil Erosion and Water Control, and some other projects -- \$1.1 million.

I also wish to speak briefly on the Government's borrowing policy -- our program for investment in progress. First, we are of the opinion that investment is worthwhile where the cost of carrying the investment is less than the return that one makes upon it. Sometimes the investment return is not direct to the Government itself, but rather the benefits are spread widely over the entire community -- as for example Education -- and more clearly in the building of highways. With properly built roads, we will get a reduction in annual maintenance costs. Revenues from gasoline and other motor vehicle taxation will increase as new and better roads attract greater use.

Individuals and companies making up our community derive other benefits in the form of more efficient and speedier transport -- shorter time spent in travel, less wear and tear on vehicles -- to name only a few of the more obvious kind of benefits.

Previous administrations have borrowed from time to time for roads. We propose to do the same. We define our policy as one of "pay as you use". We feel that the economic development of this province will be greatly assisted by public investment in roads, in flood protection, and in other developments that we can pay for over the years in which we use them.

Naturally, I am concerned that the weight of debt on our provincial resources be one that we can support. I have already mentioned the fact that our net interest costs to the Treasury will be under \$8, 000 in the current year. You will have noted, when the estimates of expenditures were placed before you, that for general government purposes -- for roads, buildings and other public works -- we have asked for authority to borrow \$4.8 million more this year

(Mr. Roblin, cont'd.) . . . than last year. This is not a substantial increase.

We have requested of this House permission to guarantee the debt of certain approved institutions, to assist them in accomplishing their vital public purposes, either through direct loans or advances or by guarantees for their securities. With a flexible authority like this, we will be able to take whatever course is best at the time the money is required. We will also have authority -- and this is important -- to charge these and other capital items to our current surplus account funds during the current year.

The Capital Supply Bill also asks for \$22.5 million for the Manitoba Hydro Commission, the Manitoba Power Commission and the Manitoba Telephone System -- as against the \$18.2 million request made last year for our utilities. Before leaving the subject of capital need and debt management, I want to make one more observation. Some years ago the province adopted a policy of setting aside sufficient sinking fund moneys to retire each new "dead-weight" debt in a period of not more than twenty-three years. This policy is unchanged.

The second major financial policy about which I speak deals with the treatment of our reserves. These funds in the past had in part been used by previous administration for investment in government enterprises and this seems to me to have been a suitable use. They had also been drawn down in the past to provide revenue for the year then current. We propose to use the reserves as far as possible as revolving funds for investment purposes. For example, we propose to use some of our Post War reserve to provide working capital for the Agricultural Development Fund and for the Industrial Development Fund, and in both cases the money will have been advanced and will represent an investment of our reserve rather than its dissipation.

I wish to speak last on the subject of Tax Policy. I am proposing no new taxes. There will be some fee changes, for our policy in this connection is that where the province provides a valuable service we propose to charge fees sufficient at least to match our costs. In some cases, our fee structure has not been changed for decades. When all other costs have been rising, it is high time that some of our fees should rise somewhat in proportion. There have been comments from time to time that fees are simply another form of taxation -- "hidden taxes" has been one reference. I would suggest that this analogy does not apply when a service is being provided -- especially a service valued in excess of the revenues realized from fees associated with a particular program. I would draw the honourable members attention to the fact that, in many cases, apparent cost to the Provincial Government is far less than the real cost of supporting such a service. Nor should we overlook the full value to individuals and firms of our services -- often a very high value indeed. What we plan to do is to adjust certain fees to a more rational and reasonable relationship to the services being provided. To the extent that it is practical, we feel that a service capable of "paying its own way" should do so. The fee is the permit to participate in the particular benefits of that specific service -- it is not a tax to support a general service the benefits of which are universal. None of the changes to be proposed will in themselves be found to be excessive.

The fundamental theme of this budget, Mr. Speaker, is development -- a balanced and integrated development of every facet of Manitoba's social and economic potential. We propose to pay for progress through the increased productivity that our investment in Manitoba will make possible. Our programs are designed to stimulate reciprocal initiative throughout the province, and we will call upon the best and most imaginative elements of both public and private enterprise to promote the progress for which we have planned.

We do not propose to do for the people of Manitoba those things regarding which they have amply demonstrated the capacity to do for themselves, but we will give to our people better tools to do the work of building a better and more prosperous province. All things point to continued economic improvement though it was not so very many months ago that we were being warned of inevitable disaster, and advised that our economy was dangerously close to collapse. Mr. Speaker, the present answers the past.

In conclusion, may I say that we believe in balanced budgets especially in times of buoyant revenue. We ended the 1958-59 fiscal year with a balanced budget and a substantial surplus. We have entered the 1959-60 fiscal year with our current accounts in balance and with a substantial surplus again in sight for next March 31st. At the same time, we have greatly increased our aid and development programs. We live in a province of which we are

(Mr. Roblin, cont'd.) . . . all proud; and we are building a still greater one.

And so, Mr. Speaker, I would like to move that the House resolve itself into a Committee of Ways and Means to consider the Revenue Estimates for the fiscal year 1959-60.

MR. CAMPBELL: Mr. Speaker, before the First Minister resumes his seat, may I ask him if the debt picture of the province as of March 31st last is included in the budget address that we will receive?

MR. ROBLIN: Yes Mr. Speaker, it is and I think it will be distributed any minute now together with a copy of the Estimates of Revenue.

MR. SPEAKER: It has been moved by the Honourable the First Minister seconded by the Honourable the Minister of Agriculture that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the ways and means for raising of the supply to be granted to Her Majesty. Are you ready for the question?

MR. CAMPBELL: Mr. Speaker, I move, seconded by the Honourable Member for Rhineland that the debate be adjourned.

Mr. Speaker presented the motion and after a voice vote declared the motion carried.

MR. ROBLIN: I suggest now, Mr. Speaker, that we revert to private members business and proceed through the Order Paper omitting those items which you have already dealt with.

MR. SPEAKER: Proposed Resolution — the Honourable Member for Rhineland and the proposed motion of the Honourable Member for Brokenhead in amendment thereto. The Honourable Member for Roblin.

MR. KEITH ALEXANDER (Roblin): Mr. Speaker, with the permission of the House, I ask that this matter be allowed to stand.

MR. SPEAKER: Order stand?

MEMBERS: Aye.

MR. SPEAKER: Adjourned debate on the proposed resolution of the Honourable Member for Brokenhead and the proposed motion of the Honourable Member for Roblin in amendment thereto. The Honourable Member for La Verendrye.

MR. STAN ROBERTS (La Verendrye): Mr. Speaker, I ask the indulgence of the House in order that this matter might stand.

MR. SPEAKER: Order stand? Proposed resolution of the Honourable the Leader of the Opposition on the proposed motion of the Honourable Member for Brandon in amendment thereto. The Honourable Member for Selkirk.

MR. G. MOLGAT (Ste. Rose): Mr. Speaker, in view of the absence of the Honourable Member for Selkirk, I would like to ask that this be allowed to stand.

MR. SPEAKER: Proposed resolution of the Honourable Member for Osborne.

MR. O. BAIZLEY (Osborne): Mr. Speaker, I beg to move, seconded by the Honourable the Member from Lac du Bonnet; be it resolved that this House recommends that the Government give favourable consideration to the introduction of a measure similar to measures enforced in some other provinces to prohibit any person from denying to any other person the accommodation, services or facilities available in any place to which the public is customarily admitted because of race, creed, colour, nationality, ancestry or place of origin of that other person.

MR. SPEAKER: Are you ready for the question.

MR. BAIZLEY: Mr. Speaker, the purpose of this resolution is to draw to the attention of the members of this Assembly the need for legislation that will give peoples who may feel suppressed and discriminated against, the opportunity to draw to the attention of proper authority those individuals or companies whom they feel have been guilty of such action. Fortunately Mr. Speaker, such incidents do not occur frequently; yet when they do, such action has as great social embarrassment to the conscience of the majority of the fine people in our province. It is true, Mr. Speaker, that we are not in a position to judge such motivations but we in this Legislature, are in a position to pass laws that will help to deter such discriminatory action and permit all our citizens to live and behave as God's children.

Mr. Speaker, this resolution should not be construed to assume that it will interfere with the freedom of speech or the freedom of the Press. But certainly, Sir, it should be clear that it will not protect enemy aliens and / or political views and politicians who may be considered undesirable to this Assembly. It is a known fact, Mr. Speaker, that there is a tendency to

(Mr. Baizley, cont'd.) . . . categorize different peoples by their religious beliefs and the colour of their skin. Yet, Mr. Speaker, when individuals rise above such situations, they are accepted as a person and a credit to the community. Therefore, I submit, Mr. Speaker, that if we, the Government of Manitoba, will show leadership in this problem and encouragement to the minorities who feel suppressed, we will have taken a great step forward.

I would like to leave this thought with the Assembly -- "God divided man into men that they might help one another".

MR. GRAY: Mr. Speaker, at the outset, I wish to express our sincere appreciation to the mover of the motion, the Honourable Member from Osborne, and thank the party in power for the encouragement to the Honourable Member for bringing up this timely important resolution.

We all realize that this is not complete but a good beginning and hope that a Bill of Rights will follow this resolution in the not too distant future. For years we've had the privilege to submit a Bill of Rights based on the Saskatchewan text which may not have been complete but the principle of a Bill of Rights was included. It was defeated on the second reading and the main argument expressed by the honourable members at each session was that you cannot eradicate discrimination by legislation -- only by education at meetings -- but education fortified by legislation is more effective. It is the clear duty of a democratic government to enact legislation to do away with the ill effects of the prejudices that are being held. It must, firstly, carry on a program of education against prejudice; it must try to convince the people that prejudice benefits no one -- including the person who holds that prejudice. However, I'm afraid that sometimes it takes too long to convince certain people by education so why not bolster education through legislation.

I agree that the Bill of Rights should be carefully studied but so far it has been too much time -- they have taken too much time -- and the situation in my opinion has become worse as we know from experience. Everybody knows that all human beings -- or everybody admits -- are born free and equal in dignity and rights but as they grow up, many people have the habit of noticing colour, creed and religion.

The principles and precepts outlined in the United Nations Charter on Human Rights reads: "universal respect for and observance of human rights and fundamental freedoms for all without distinction as to race, colour, creed or religion."

The Bill will stress tolerance, understanding, equality and the privilege to enjoy fundamental freedoms which we regard as sacred regardless of race, colour, creed or religion. We have fought wars to preserve the freedom of peoples in other lands, but what are we doing to protect our own rights and freedoms? Can anyone deny that prejudice and discrimination are not active in this country or in this city? Prejudice and discrimination, Mr. Speaker, are deviations from the democratic concept of freedom. They are disease germs that affect the health and life of the community.

We must accept the fact that racial prejudice and discriminatory practices that arise because of prejudice are unhealthy. Like any other unhealthy condition it can and does spread. It is anti-social in nature and its results are against the good of the community as a whole. It begins with the most easily victimized group, but ends with the persecution of all groups in the community. This is so because there are no majority groups in Canada. We are a nation of minorities, and as such, must take steps to protect the rights of the minorities.

Irrespective of the Free Press editorials in connection with the proposed Bill of Rights introduced by the Prime Minister of Canada, I think -- and I am inclined to believe -- that the Prime Minister means well although he delayed it too long. Reading the Hansard of July 18th, the Prime Minister gave the reason why he handed over the Bill to a special Commission to study and bring in a report to the next session of Parliament. But the fact that the Liberal Leader, Mr. Pearson and the CCF Leader -- Acting Leader, Mr. Herridge appreciated the action of the Prime Minister indicates that a Bill of Rights will be submitted in Ottawa -- a Bill of Rights which will probably be a Federal Bill of Rights. At the same time, however, I would urge the government here -- first I would urge each and everyone to pass this resolution -- it is not a Bill of Rights, but it indicates to those who spread discrimination and hatred that this is not the place for it; secondly, it may lead to a real Bill of Rights. So I hope that this legislation will be passed unanimously and my wish is in my departing days that I shall see the

(Mr. Gray, cont'd.) . . . realization come true in a Bill of Human Rights -- freeing all peoples from discrimination and hardship.

Our action is being watched by other Provinces -- endorsement of the Bill of Rights on the statute books will be a great stimulant to a Canadian Bill of Rights and to other nations. I urgently ask each and every one, let's pass this resolution unanimously as a warning to those who spread discrimination -- that Canada is a free country and will not tolerate it.

MR. ORLIKOW: Mr. Speaker, at the last session I introduced a resolution urging passage of a Fair Accommodation Practices Act. I would have introduced a similar resolution in this session but for the fact that conversations I had with various members of the House led me to believe that a similar resolution would be introduced.

I'm happy to support this resolution, Mr. Speaker, because we in our group have always believed that along with the real educational work which is being done by government and private agencies, that legislation of various types can help to improve the relationships between various religious and racial groups in this country and can help to eliminate discrimination. When I introduced this resolution in the last session, Mr. Chairman, I was asked whether there were evidences of discrimination in this province, and I predicted that the report on the Indian and Metis would refer to this problem and would illustrate the fact that we do have such discrimination. Well Mr. Speaker, since the last session the report has come out and I am sure many members will have read the report. I want to read just one paragraph from that report from Page 173. It says and I quote: "There is a special need in Manitoba for legislation that would make it illegal for the management of establishments customarily open to the public to refuse admittance to certain persons or groups of persons because of race, colour, nationality, ancestry or place of origin. It is recommended that the Provincial Government enact legislation designed to promote fair accommodation practices in Manitoba." Mr. Speaker, four other provinces now have such legislation -- Saskatchewan, Ontario, Nova Scotia and New Brunswick. This legislation takes its place among legislation in the field of Fair Employment Practices, which six provinces have passed and similar legislation which the Federal Government has passed. It is not the contention of those people who believe that legislation is necessary that the passage of legislation will immediately eliminate discrimination but our experience in the field of employment legislation, Fair Employment Practices legislation, has proven that such legislation gives to those people who are discriminated, the right to protest -- it gives the government the opportunity to investigate, it permits a government in most cases, to bring the two parties together, and to grips, and to effect an amicable settlement. There have been in this province and in other provinces very little -- very few if any -- Court cases, and this is all to the good. And I would hope that if this legislation is passed, that we would have a similar experience in this field.

Mr. Speaker, the first indication that we needed this type of legislation was in the report with regard to the Indian and Metis. But they are not the only people who are discriminated against. In my constituency Mr. Speaker, I cannot say as other members have said, particularly new members, mine is the most beautiful constituency, that mine is the wealthiest constituency, that mine is anything else but an ordinary constituency. But I do think, Mr. Speaker, that my constituency probably has in it more racial and religious groups than any other constituency in this province. My constituency is one in which the last 50 years people coming to this province have traditionally begun by living in my constituency and then in many cases moving on. We have probably a dozen or more important racial and religious groups in my constituency. By and large they get along very well; one needs only to go into the schools or the Home and School Associations, or the community clubs to see if this is so. People have learned to live together well on the whole, but every once in a while, Mr. Speaker, we get an instance of discrimination, the kind of which I hope this resolution, when the legislation is passed, will help to eliminate.

Just this month, Friday, July 17th, both newspapers carried a story -- and I will just read the headline from the Winnipeg Free Press of that day, and it says as follows: "It Happened in Winnipeg -- Negroes Denied a Home" and the article begins, quoting the woman -- "People talk about Little Rock in Arkansas; well in Little Rock at least I'd know where I stand. Here you'd think things should be better". And the woman goes on to describe some of the difficulties which she has. Well Mr. Speaker, I went to see her following the publication of this story; I found her as the report says, a very intelligent woman, a woman who would be a credit to any

(Mr. Orlikow, cont'd.) community. She was busy in the house which she had succeeded in renting; they were busy repainting and redecorating the home themselves, so that it would be fit to live in. And yet that woman told me that on at least half a dozen occasions in the last few years she had been refused rental of accommodations, which she was able to afford, simply because her colour was dark. I would hope, Mr. Speaker, that once we pass legislation of this type, that people who are discriminated against will have recourse through the department of government which will administer this legislation and if necessary through the courts; with the hope that eventually we will be able to say, that our democratic system is really working and that people in this province of ours are treated equally regardless of their race, their religion, or their colour. I believe Mr. Speaker, that when this legislation is enacted at the next session that it will be one more tool which the people of this province will be able to call upon to ensure that our democracy will really work. And I certainly join with the mover of this resolution in urging its support and unanimous support.

Mr. Speaker put the question and following a voice vote, declared the motion carried.

MR. SPEAKER: Adjourned debate on the proposed resolution of the Honourable Member for Inkster. The Honourable Member for St. Matthews.

MR. MARTIN: Mr. Speaker, I beg the indulgence of the House to let this matter stand.

MR. SPEAKER: Stand. Proposed motion by the Honourable the First Minister.

MR. WILLIS:is not here.

MR. SPEAKER: I believe that he wants this one taken up doesn't he? Stand.

Adjourned debate on the proposed motion of the Honourable Minister of Public Utilities for second reading of Bill No. 74, and the proposed motion of the Honourable Leader of the CCF in amendment thereto.

This motion is open and I might say that I intended to prepare a ruling on it. I can give one verbally now if you wish. I find that it has been the practice of this House for many years to allow debates on hoist motions and in testing the opinion of the House the other evening, I gathered that they wished to continue this practice. And as I am always the servant of the House, I think possibly that that would be the better move for me to make. I might say that I looked up the Journals of the House to confirm that statement and I find that in 1956 and I believe on many other occasions, that a six month hoist was moved by the -- Mr. Clements, the Honourable Member for Russell at that time, to Bill No. 41, An Act to Amend the Margarine Act, and the following members spoke in the debate: Mr. Fennell, Mr. Jobin and Mr. Shewman. The debate was adjourned by Mr. McDowell and continued again and in the next session of the House, Mr. McDowell, Mr. Juba, Mr. Teillet, Mr. Stinson and Mr. Hillhouse spoke and the vote -- recorded vote, yeas -- 31, nays -- 18. And I see no reason for to change that particularly when the House wishes the opportunity to debate the motion. I might point out however, that there are implications in it because if the members speak on the hoist motion, it's to be expected that if the hoist motion is defeated, that they won't make the same speech again on the other motion. I would think possibly that they might have the right to do that, but I think that they should refrain from doing so.

Mr. Speaker put the question.

MR. A. E. WRIGHT (Seven Oaks): I beg to move, Mr. Speaker, seconded by the Honourable Member for Fisher that the debate be adjourned.

MR. SPEAKER: Are you ready for the question?

Mr. Speaker put the question and following a voice vote, declared the motion carried.

Adjourned debate on the proposed motion of the Honourable Minister of Education, The Honourable Member for Rhineland.

MR. MILLER: Mr. Speaker, I didn't think that we would reach this item and under the circumstances, as I'm looking for a little bit more information, which will reach me tomorrow, I would ask the indulgence of the House to have this matter stand.

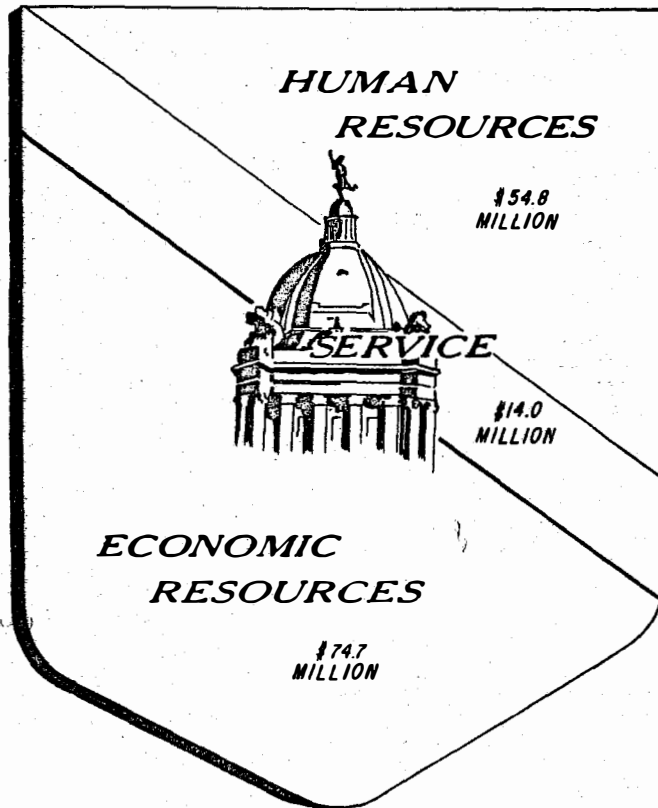
MR. SPEAKER: This brings us to the end of our Order Paper. A motion to adjourn is in order.

MR. WILLIS: Mr. Speaker, I beg to move, seconded by the Minister of Education that this House do now adjourn.

Mr. Speaker put the question and following a voice vote, declared the motion carried.

MR. SPEAKER: The House do now adjourn and stand adjourned until 2:20 tomorrow afternoon.

MANITOBA BUDGET AND ECONOMIC REVIEW 1959



"INVESTMENT IN PROGRESS"

\$143.5 MILLION

BUDGET SPEECH

1959

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BUDGET SPEECH
of the
HONOURABLE DUFF ROBLIN
Premier and Provincial Treasurer
Province of Manitoba

Mr. Speaker, we have placed before this House in recent weeks the estimates of expenditures required to execute our plans for investing in the progress of this Province. I now wish to present the motion that this House do resolve itself into Committee of Ways and Means in order that it may consider the manner in which funds may be raised in support of the programs proposed by Her Majesty's Government in Manitoba for the year beginning April 1, 1959.

It is, of course, immediately apparent that substantial amounts of money will be required to develop Manitoba's potential for prosperity. Through the careful husbanding of our Province's many-faceted resources we are fully confident that Manitoba's great future can be realized without placing undue financial burdens on our taxpayers.

The Canadian economy and that of the Province itself present a current picture which warrants the greatest optimism for future months. Before considering our revenue plans, some review of these highly favourable conditions is in order. We will thus amply illustrate many of the reasons for our optimism in respect of the programs we have planned.

The Economic Situation

A new buoyancy is indicated in the economy for 1959. The Gross National Product during the first quarter of the year was increasing at an annual rate of nearly 4 percent over 1958. The Dominion has forecast for the full year a 7 percent or better gain over last year in G.N.P.

Manitoba is sharing in this renewed growth. Capital improvements may be

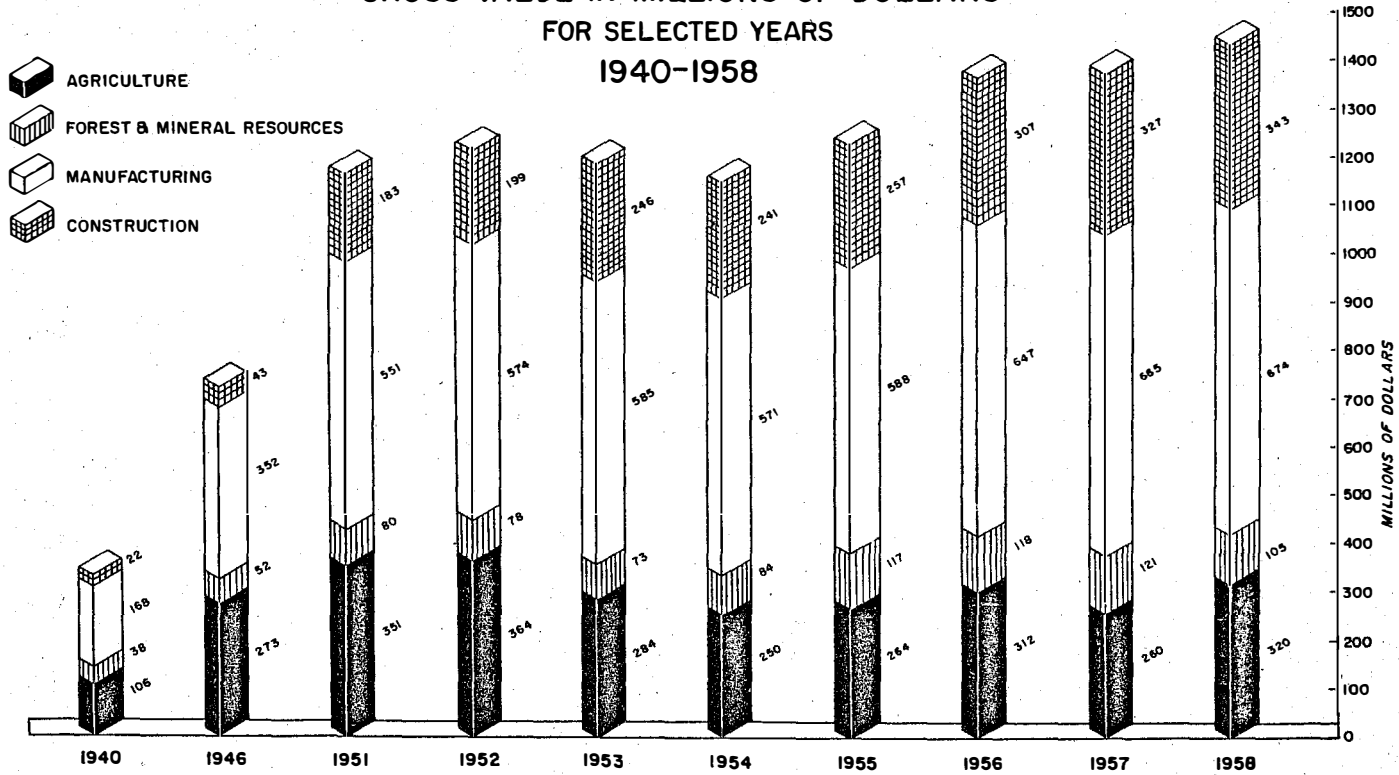
MANITOBA'S PROVINCIAL PRODUCT
GROSS VALUE
(Millions of Dollars)

Year	Agriculture	Forest and Mineral Resources	Manufacturing	Construction	Total
1940	106	38	168	22	334
1946	273	52	352	43	720
1951	351	80	551	183	1,165
1952	364	78	574	199	1,215
1953	284	73	585	246	1,188
1954	250	84	571	241	1,146
1955	264	117	588	257	1,226
1956	312	118	647	307	1,384
1957	260	121	665	327	1,373
1958 *	320	105	674	343	1,442

* Estimated

Source: Department of Agriculture
Department of Mines and Natural Resources
Department of Industry and Commerce

MANITOBA'S PROVINCIAL PRODUCT GROSS VALUE IN MILLIONS OF DOLLARS FOR SELECTED YEARS 1940-1958



expected to contribute to renewed growth in industrial capacity and production. Salaries, wages, and other incomes should also reflect the new impetus. While production and consumption in Manitoba generally remained steady during 1958, programs already in effect to diversify and expand our industrial economy present an optimistic picture for 1959.

Manufacturing production is growing again after a slight decline during 1958 - even in that year Manitoba recorded an estimated value of two-thirds of a billion dollars and maintained a manufacturing payroll at an estimated \$140 million. During the first half of 1959, new gains were reflected in rising employment, sales and corporate profits. Fifty-five new firms began manufacturing operations during 1958 to add further to Manitoba's considerable variety of enterprise. Widely diverse fields were represented, such as fibre glass boats, restaurant and hotel fixtures, quilted products, plastic pipe and water conditioning equipment - to name only a few. Present economic conditions provide an excellent climate for expansion and we may expect employment opportunities to increase. There is, however, no room for complacency - we must make every effort to distribute the benefits of industrial development over the entire Province.

Over the year 1958, new capital investment in Manitoba aggregated close to \$543 million - up 6 percent from the \$511 million in 1957. For 1959, aggregate intentions have been estimated at \$599 million - an increase of some 10 percent over 1958. In 1958, \$274 million was expended on construction of new facilities; in 1959 the construction figure is estimated at \$318 million - an increase of 16 percent. Last year, \$129 million went to the purchase of new machinery and equipment while the outlook for this year shows an increase of 7 percent to \$138 million. The indications for capital investment in primary industries show a slight decline from 1958 record levels - the total of \$93.7 million is substantial evidence of the continuing investor interest in the Province.

Manitoba's trade, finance and commercial services will increase their investments this year by \$7.3 million to \$49.3 million. Power, transportation, communications, and other services supplied by utilities, institutions and government departments and agencies will register a combined investment of over \$300 million in 1959 compared to the \$264 million total in 1958. Manitoba's manufacturers, too, are increasing their capital investments by some \$16 million in 1959, making the total new investment for the year \$71 million. Building permits issued in the Greater Winnipeg area for all types of construction aggregated \$39 million in the first six months of this year - \$4 million above the total for the same period in 1958.

All of these investments in progress indicate the confidence held in Manitoba's future. When one reviews the economic situation, the consistency of gains registered and forecast gives very clear evidence of the strength of Manitoba's economy.

There are further aspects of strength in our economy. Some \$14.4 billion in bank clearings - nearly one-half of all cheques cashed on the prairies in 1958 - cleared through Manitoba facilities. In the first half of 1959 such clearings rose by 10 percent in Winnipeg alone. Life insurance purchases last year totalled an estimated \$190 million, and the pace continues.

Retail spending has increased considerably in recent months, reflecting substantially higher levels of personal income for Manitoba's growing population. I might note, Mr. Speaker, at this point, that the very recent official estimates of population for Manitoba released by the D.B.S. now indicate a rising annual rate of increase after minimal gains throughout much of the post war period.

Government and industry combined successfully throughout the past winter to provide continued job opportunities. The seriousness of the unemployment situation has been greatly diminished and we are pleased to note that the prophets of disaster seem once again to have been ignored by the energetic and confident

people of our Province. On the last working day of May, unemployment insurance claimants in the Province totalled 9.6 thousand compared to 20.4 thousand for the similar date in 1958. Manitoba was able to provide for more than 100,000 man-days of additional winter employment opportunities, and internal efforts by Manitoba's governmental departments and agencies matched this figure. To some extent, at least, the success of this winter work program was responsible for the improved employment picture over these past months.

THE AGRICULTURAL AND NATURAL RESOURCE ECONOMY AND PROGRAMS

Manufacturing and merchandising expansion can be sound only so long as there is stability and prosperity in primary production such as agriculture.

Agriculture retains its stature among our great resource industries and makes a vital contribution to the total prosperity in this Province. Our programs for secondary industry will continue to be based on balanced development for agriculture and our other resource industries.

Manitoba farmers are making good progress in crop diversification and in their search for wider markets necessary as a result of that diversification. The value of Manitoba agricultural production in 1958 was estimated to be \$265 million. This figure represented a 16 percent increase over the \$228 million figure for 1957 and provided a record average of \$5,398 per farm. Cattle sales exceeded \$51 million, hogs brought \$19.4 million and new high earnings went to dairy men and poultry men.

Present crop prospects are considerably brighter than a year ago. Cattle prices remain relatively favourable and the prevailing outlook is good. While hog numbers are greater than at the same time in 1958, farrowings are likely to show a decline this fall - a factor which it is hoped would in time exert an upward influence on prices.

In 1951, 42 percent of gross farm income - exclusive of feed and seed, was derived from sources other than grain marketing. In 1958 this portion of farm

A G R I C U L T U R E
FINAL 1958 CROP ESTIMATE

Grain Crop	Three Prairie Provinces		MANITOBA	
	No. of bushels (thousands)	% change from 1957	No. of bushels (thousands)	% change from 1957
Wheat	343,000	98.3	55,000	122.2
Oats	240,000	102.6	60,000	103.4
Barley	238,000	113.9	44,000	133.2
Rye	5,400	85.7	1,200	100.0
Flax	22,900	121.2	5,100	145.7

MARKETINGS 1957-1958

	Volume		Value (thousands of dollars)	
	1957	1958	1957	1958
Cattle & calves	345,834 head	356,318 head	34,838	51,255
Hogs	331,672 head	464,432 head	15,433	19,427
Sheep	34,244 head	34,187 head	496	507
Eggs	31,600,000 doz.	38,800,000 doz.	12,106	14,471
Creamery Butter	23,552,000 lbs.	26,601,000 lbs.	14,131	16,785
Cheese	1,263,000 lbs.	693,000 lbs.	467	263

PRODUCTION 1950-1958

Year	Aggregate Production (thousands of dollars)	Net Production (after allowing for seed, grain, etc. fed to stock)	
		Total thousands of \$'s	Average per farm (\$)
1950	326,971	240,875	4,588
1951	350,650	280,428	5,393
1952	364,191	269,481	5,182
1953	283,903	227,969	4,384
1954	249,520	215,518	4,144
1955	264,396	220,790	4,246
1956	311,817	255,993	5,224
1957	259,719	227,542	4,644
1958*	319,988	264,502	5,398

* Estimated

income has risen to 56 percent. This accelerating trend to the conversion of farm grains and fodder to higher valued and more readily marketable products is the most encouraging feature of Manitoba's agricultural economy.

But we must face the fact that while early indications for 1959 are reasonably good, the farmers net income position is still unsatisfactory. Of the problems that confront present day farming, the most serious continues to be the persistent "cost-price squeeze". With minor exceptions, prices of farm produce have steadily declined since the early 1950's, whereas costs for the implements of production - together with the cost of living - have steadily increased. Many farmers have had considerable success in reducing production costs by increasing efficiency and by expanding mechanized operations. However, there is a limit to the effectiveness of internal efficiency alone. Some farmers have reached this point, while others have been unable to make adjustments to the same degree.

This Government believes it to be essential to continue the formulation of progressive agricultural policies. We have enacted the Manitoba Agricultural Credit Act in response to a definite need on the part of Manitoba farmers for additional credit facilities. Credit for enlargement of farming operations or for consolidation and amortization of payments on existing obligations, when wisely granted with a measure of supervision, should improve the lot of many farmers.

Special provisions in Manitoba's Agricultural Credit legislation have also been added recently to make capital available to young farmers at lower rates of interest - in order to give these young agriculturists a sound start in farming. Our test crop insurance proposals are an important first step. Our research programs have been expanded and

directed towards widening the income base for agriculture. Conservation and water resource developments are being pressed to provide benefits to the agricultural sector of our economy. All such undertakings will add to the improvement in the agricultural economy for which we are working.

Given large, highly mechanized units, fewer people are now required on our farms. But those who do remain in farming will require the basic scientific and business management training that this Government's enlarged agricultural education program has been designed to provide. Recently initiated Farm Business Study Groups organized at rural centres have similar objectives. Additional funds for bursaries are also being provided.

Manitoba's agriculture is basically sound. The ability of our farmers to adapt their farming techniques to changing demands and needs has in the last several years been amply demonstrated. As Canada's population continues to increase, there will be a growing domestic demand for farm products. New export opportunities must be continuously sought. No sector of the economy can be permitted to remain static. The farmer knows that growth and change mean survival. It is the joint responsibility of the Dominion and Provincial Governments to ensure that the growth and change are orderly and in desired directions.

We propose to maintain a vigorous program of agricultural services. In the past several months, we have undertaken a complete re-organization of the Department of Agriculture, and, henceforth, the new Department of Agriculture and Conservation will take full responsibility for the integration of our vast water control projects, and for the expanded program of agricultural research, promotion and direct services.

New staff and new approaches in farm management, agricultural statistics and home economics will give the Department of Agriculture itself new strength. Regional services will be made available through offices at Dauphin and Brandon and in Southeastern Manitoba - we recognize the need to bring the Government's services directly to the people for whom they are intended.

Although primary commodity resource output increased some 13 percent in 1958 over the previous year, many of Manitoba's primary resource fields comprise tremendous and as yet relatively untouched potential. This Government has developed a new approach to resources through the Economic Development Authority - first to protect the public interest, and then to mobilize private capital and techniques for resource development. These fields will eventually become major sources of revenue to Manitoba.

New mining enterprises now under way will double Manitoba's mineral production by 1961. Already well advanced, new northern operations are now producing higher levels of employment and output. A recent announcement that a nickel refinery would be constructed in Northern Manitoba has further brightened the picture. In two years, the northern areas of the Province will be setting new records for economic achievement. We shall continue resource development in balance with industrial expansion. Our mineral, oil, forest, water power, land, game, fur and fish resources, at this time, have a gross production value of over \$100 million annually. Values fell somewhat in 1958 from those attained in 1957, but 1959 prospects are brighter as a result of the new programs. These are contributions to revenue potential and as such emphasize that investment in development is sound policy. The citizens of Manitoba can confidently expect a return many times over the public investment that is being made.

In a comprehensive report dealing with the economic potential of Northern Manitoba, released by the Government last October, forest resources in the area were cited as a basis for the manufacture of wood pulp, newsprint, hardboard and plywood; mineral potential was also emphasized. But no one should minimize the problems and costs of discovery, transportation and development of power supplies. We acted promptly to put into effect many of the recommendations of the report. With these resource development programs underway we cannot help but hold enthusiastic confidence in the Province's economic future.

MANITOBA'S PRIMARY RESOURCE OUTPUT
PRODUCTION VALUE
(Thousands of dollars)

	1957	1958
Agriculture	259,719	319,988
Minerals	63,227	55,943
Forest Products	26,200	19,000 *
Furs	5,644	5,366
Fisheries	5,390	5,935
Resource Output	360,180	406,232

* Preliminary Figures.

Source: Department of Mines & Natural Resources.
Department of Agriculture.

INDUSTRIAL DEVELOPMENT

To encourage diversification and decentralization of industry and to foster local commercial development, we established the Manitoba Development Fund - already well advanced on its program to promote industrial prosperity in the Province. To deal with the difficulties associated with decentralization, we have also established a new Regional Development Branch in our Department of Industry and Commerce. We are providing major additions to our growing network of highways to carry the commerce we confidently expect to develop, especially in northern areas.

In this regard a large share of the financial resources of the Province will be channelled into an extensive program of highway construction. The economy depends more and more upon our highways and local roads to facilitate the flow of raw materials to our industrial plants and the distribution of finished goods to the consumer. The investment in roads is vital, and one that will bring increasing returns over the years to the people of Manitoba.

Last year, the Manitoba Telephone System completed one-half century of growth as a publicly owned utility. The System offers a complete communication service at an exceedingly high standard, with nearly a quarter of a million system-owned telephones in operation, over 13,000 of which were added in 1958 alone. The Brandon-Flin Flon radio relay system, from Swan River to Brandon, was placed in service last December to meet long distance requirements of the Province's growing Northern population. The Manitoba Telephone System's plant and equipment now have a total value estimated at nearly \$120 million - Provincial Government investment in the System totals nearly \$83 million.

We intend to assist in the extension of television to all parts of this Province, and we have offered to the Dominion authorities, on an annual rental basis, a northern micro-wave television link. As the pace of development in the North increases, we shall be requiring further additions to our communications program.

ESTIMATED GROSS VALUE OF PRODUCTION
FOR MANITOBA MANUFACTURERS
BY INDUSTRIAL GROUPS
(thousands of dollars)

Industrial Group	1957	1958 *
Food and Beverages	244,417	247,291
Rubber Products	133	135
Leather Products	5,981	6,064
Textiles	10,632	10,843
Clothing	47,846	48,519
Wood Products	29,239	29,750
Paper Products	33,891	34,368
Printing, Publishing and Allied Industries	31,897	32,346
Iron & Steel Products	73,763	74,800
Transportation Equipment	49,175	49,867
Non-ferrous Metal Products	21,265	21,764
Electrical apparatus and supplies	13,955	14,151
Non-metallic Mineral Products	21,929	22,239
Products of Petroleum and Coal	57,449	57,953
Chemicals and Allied Products	15,284	15,699
Miscellaneous Industries	7,974	8,086
	<hr/>	<hr/>
TOTAL:	664,530	673,875
	<hr/>	<hr/>

* Estimated

Source: Department of Industry & Commerce,

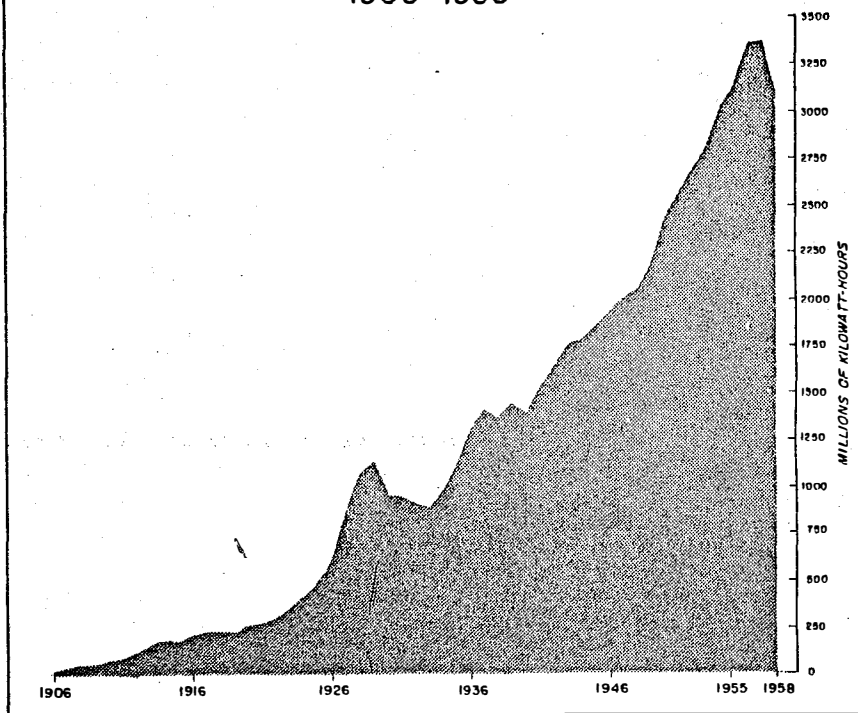
Power is also of the utmost importance to the success of our proposed undertakings. We have already provided for an increase in our power installations at Kelsey, and the Manitoba Power Commission is now expanding into the area of the Province north of the 53rd parallel. Responsibility has been assumed by the Commission for supply of electrical service to The Pas and the surrounding area. The Commission will also assume responsibility for power distribution at Thompson townsite and other northern centres. Construction of lines to serve summer residents at various resort areas in the Province went forward over the winter, notably in the Whiteshell area. Service was made available for the current vacation season. A major project in the coming months will be the reconstruction of the transmission lines between Winnipeg and Portage la Prairie. These and other projects are in response to increased demands for power. The largest single project is the building of 95 miles of transmission lines between Brandon and Dauphin, across Riding Mountain National Park, to re-inforce the system over the northwestern area of the Province.

The other principal partner in Manitoba's power development, the Manitoba Hydro-Electric Board, has also responded to the increase in power demands over the past year.

The value of plant and equipment, including construction in progress, under physical control of the Board at March 31, 1959, totalled \$136.4 million, a net increase of \$12.1 million for the year.

A decision was taken in December of 1958 to proceed with interconnection of the electrical systems of the Board and the Saskatchewan Power Corporation, to provide further diversification in sources of supply and outlets for sale. When this interconnection has been completed, we will have established in effect, a power network stretching from Lake Nipigon on the east to the Alberta-Saskatchewan boundary on the west. Preliminary and additional engineering will be undertaken this summer at the Grand Rapids power site on the Saskatchewan River.

HYDRO-ELECTRIC POWER PRODUCTION IN MANITOBA 1906-1958



HYDRO-ELECTRIC POWER PRODUCTION IN MANITOBA FOR SELECTED YEARS
(Thousands of Kilowatt-hours)

Year	Kilowatt-hours
1906	10,936
1916	210,840
1926	616,551
1936	1,320,019
1946	1,939,405
1956	3,369,836
1957	3,373,973
1958	3,104,264

Source: Department of Mines and Natural Resources.

The demand for primary electrical energy during the first six months of 1959 has been running about 8 percent above the same period one year ago. This increased rate must be considered in the light of the significant decline in sales which occurred one year earlier due to the general business recession and a much warmer than normal winter. Demand during the first half of 1958 was below the year earlier but improved as the year progressed and has continued to improve up to the present. Sales of off-peak energy have been about 13 percent higher during the first six months of 1959 than for the same period a year ago - mainly because of high river flows. The primary peak demand for the past winter season was reached in January, 1959, and was almost 7 percent above the 1957-58 seasonal peak.

Construction of facilities for the Southern Power System of the Board is now well advanced and the Brandon Generating Station was about 75 percent complete at June 30 - the first two units are expected to be commissioned in 1960. Transmission and terminal facilities are being strengthened in the Greater Winnipeg area. The introduction of the Selkirk Generating Station to the Southern Power System will be a further major improvement.

Construction on the Kelsey Generating Station continued rapidly, and plans to extend the capacity of this station to five units will bring the initial turbine capacity to 210,000 H.P. The erection of steel towers for the 60 miles of transmission line between Kelsey and the Town of Thompson is well under way. Land acquisition has begun for the inter-connection of the Manitoba and Saskatchewan power systems - scheduled for completion by the end of the year. The inter-connection will permit the sale of available electrical energy between the provincial systems at a saving in cost to each and will provide for the transfer of power in cases of emergency.

MANITOBA'S INVESTMENT IN PEOPLE

Mr. Speaker, the Government's plans for development in what might be termed our traditional capital sector will require major investments. I should like to emphasize, however, that a necessary and integral part of this Government's concept of provincial growth comprises investment in human resources. We have proposed broad new investment in the fields of education, social and health services, to promote the development of a balanced and prosperous Provincial community.

Education

Last February, the great majority of Manitoba's citizens, having examined their system of education, voted overwhelmingly for changes as recommended in an interim report by the Royal Commission on Education. While valuable local control of elementary schools has been retained, the districts have been combined into larger groups - to be known as Divisions - for secondary school purposes. Hand in hand with the re-organization we have provided greatly increased grants, for the Divisions themselves and for the constituent districts. We have gone further than has been the case in any previous period of the Province's development to provide educational equality for all.

With our improvement of secondary school opportunities, we may expect a sharp increase in the flow of applicants for our University and colleges. We have greatly increased financial assistance for this vital area of our educational system.

Manitoba's investment in education will require substantial portions of the Province's revenues in the years ahead. We intend to meet the needs of our young people and of the community at large. To ensure that the maximum value is realized from every dollar of revenue directed to all of our programs, each facet will be kept under constant review. For 1959-60, this Government is proposing to devote \$1.00 out of every \$3.50 in provincial revenue to the support of educational programs. We believe that the sound planning of our Provincial growth demands

this investment.

Health

In the second major field of human resource investment, the Government is advancing a wide range of essential activities in the area of health care and administration. The Manitoba Hospital Insurance Plan is operating well. The need for increased beds for the care of the chronically ill has been partly met by a joint agreement with the Dominion Government and the Sanatorium Board of Manitoba whereby vacant beds in sanatoria have been made available for extended treatment cases. Arrangements have also been completed with the Sanatorium Board for the building of a much needed rehabilitation and convalescent hospital. The Hospital Services Agreement with the Dominion Government was amended in January to include a specified list of surgical procedures as well as electro-shock therapy in out-patient services.

Social Welfare Services

Mr. Speaker, no society can afford to do less - within its capacity - than is needed in the way of social security measures. While the new programs that we have added will require additional appropriations, the Province of Manitoba will share the major costs equally with the Dominion Government and we are continuing to urge the sharing of administrative costs and other improvements in such joint undertakings.

By providing sustenance and shelter from economic storms to those of our citizens who cannot fully provide this sort of security for themselves - for whatever reason - we shall do our duty to our neighbours in a fuller and more acceptable way. Our Social Allowances program will recognize need and will match that need with aid.

New facilities for maintaining the physical health of the community have been planned in conjunction with major improvements in related social service fields. Probation services, training homes, social allowances, education,

improved labour laws, more adequate public service remuneration, increased efficiency in administration - all are essential parts of our human resource program.

Mr. Speaker, we have stressed integration and balance. We have planned for provincial progress - not merely appropriated for it.

MANITOBA'S INVESTMENT IN PROGRESS

The programs which have been outlined to this House involve a comprehensive portfolio of investment in the progressive future of Manitoba. Our investment in economic resource development authorized at this Session will total \$74.7 million. With earlier authorizations, our total program can be expected to provide, at a conservative estimate, for about 23 million man-hours of employment. Within this substantial developmental investment is provision for 1959-60 of an additional \$31.2 million for highways.

While this \$74.7 million investment in economic resource development for 1959-60 represents over half of our current and capital budget, including utility capital, we have still been able to increase investment in human resources by nearly one-third over 1958-59 - from \$42.0 million to \$54.8 million. Investment in human resources now represents almost 40% of the budget - about one dollar out of every two dollars of current Provincial revenue is now going to human betterment.

Mr. Speaker, in view of the considerable alarm expressed in some quarters that we were unaware of the need to husband our resources, I would draw the attention of the House to the fact that our general administrative services, those not directly connected with development in either the natural resource or social service areas, now require less than 10% of the provincial budget - some

MANITOBA'S "INVESTMENT IN PROGRESS"

	1958-59 *	%	1959-60	%	Change -
	Estimate	of Total	Estimate	of Total	1959-60
	(\$000)	Budget	(\$000)	Budget	over 1958-59
					(\$000) (%)
<u>HUMAN RESOURCES</u>					
Education	23,138		30,646		
Health and Public Welfare	<u>18,894</u>		<u>24,137</u>		
Total	<u>42,032</u>	(34.1)	<u>54,783</u>	(38.1)	12,751 30.3
<u>ECONOMIC RESOURCES</u>					
Agriculture and Conservation	3,816		6,744		
Mines and Natural Resources	3,796		4,172		
Public Utilities	1,487		1,590		
Public Works	40,100		38,614		
Industry and Commerce	823		1,124		
Utilities Requirements	<u>18,250</u>		<u>22,500</u>		
Total	<u>68,272</u>	(55.4)	<u>74,744</u>	(52.1)	6,472 9.5
<u>SERVICES</u>					
Legislation	519		811		
Executive Council	513		697		
Treasury	2,885		2,990		
Provincial Secretary	770		1,027		
Attorney-General	3,242		3,931		
Municipal Affairs	190		230		
Labour	377		712		
Salary Increase	-		965		
Public Debt	<u>4,450</u>		<u>2,665</u>		
Total	<u>12,946</u>	(10.5)	<u>14,028</u>	(9.8)	1,082 8.4
GRAND TOTAL	<u>123,250</u>	(100.0)	<u>143,555</u>	(100.0)	20,305 16.5

* Adjusted to show comparability with reorganized department.

\$14 million in 1959-60.

In total, we have provided for \$143.5 million for 1959-60 as investment in economic development, human betterment and service programs now going forward under the Provincial Departments, Agencies and Public Utilities.

A SUMMARY OF FINANCIAL PLANS

The Expenditure Estimates which have been placed before you tell of expenditures on current account in 1959-60 totalling \$84,601,442. The Main Estimates for last year indicate a current expenditure of \$81,032,029. The current account expenditures together with capital supply for purposes other than those of our "self-sustaining" utilities, will bring the Budget this year to \$121 million odd as compared with approximately \$105 million for 1958-59. The greatest increases have been in the Department of Education - up \$7.5 million; Agriculture and Conservation - up \$2.9 million; Health and Public Welfare - up \$5.2 million; figures for other departments also vary somewhat from 1958-59 estimates.

I now place before the House the Revenue Estimates for 1959-60. In doing so I would like to review one other important change. As we all know, the Province of Manitoba receives very substantial income each year in the form of interest on its investments. At the same time, the Province pays out interest to the holders of its provincial debt securities. These can normally be considered as offsetting items, and the real interest cost to the Treasury is the difference between our interest revenue and our interest expenditure. The Dominion Bureau of Statistics, in its comparative analysis of the debt charges of the various provinces, has for many years past subtracted from the interest

payments that provinces pay to the holders of their debt the interest that they as provinces recover from their investments and from their utilities. We have followed this practice with respect to the interest which we recover from our Utilities, but have been taking into revenue the interest from the other investments and advances. In line with the D.B.S. concept, we are this year showing our major interest receipts on investments as an off-set or deduction from our interest out-payments. This is an extension of a practice begun about five years ago by the previous administration of showing the interest received from our Utilities as an off-set to our interest expenditures.

As the Revenue Estimates clearly indicate, this method of presentation shows that the net interest cost to the people of Manitoba of the so-called "dead-weight" debt of the Province is expected to be somewhat less than \$8,000 in the present year.

REVENUES

Some of the changes in revenues for the current year are expected to be approximately as follows:

Taxes on Motive Fuel and Gasoline are up by	\$ 845,000
Liquor Profits are higher by	\$1,350,000
Auto and Driver's Licences are up by	\$ 950,000
Canada's contribution under The Unemployment Assistance Agreement is up by	\$1,239,000

Honourable Members will notice other changes in the Estimates of Revenue, and I will speak in a moment or two about these and about our tax policy for this year.

TREATMENT OF CURRENT ACCOUNT SURPLUS

For the last fiscal year our records of Expenditure indicate that at the closing of our books we had spent \$81.6 million. At the same time we have shown on the revenue side of the ledger some \$85.3 million. As a result, for the 1958-59 fiscal year, the surplus on current account was something over \$3.7 million.

In order that the people of Manitoba may benefit fully from this money collected during the fiscal year 1958-59 and in order that the Government may proceed to provide the maximum in efficient service for the present fiscal year within the bounds of sound economy, we propose to bring this current account surplus from the past fiscal year - 1958-59 - clearly identified as such, into revenue account in 1959-60. We feel that, as a matter of common sense, surplus moneys collected from current taxation in any given year should be available for current account as well as capital account expenditures. I say this, noting at the same time, that all of our regular debt retirement and sinking fund provisions have been and are being fully maintained for both the past fiscal year and the one which began on April 1st, 1959. I also comment in passing that there are many items in the current expenditure budget for this year that could be considered capital account type expenditures - these total to much more than the \$3.7 million surplus for 1958-59.

We will, therefore, have for 1959-60 a total of some \$89,949,190 in revenue account available to provide for the main supply or current account expenditures of \$84,601,442. This will provide an estimated surplus

on current account of \$ 5,347,748 at the end of this fiscal year on March 31st, 1960. In other words, we had a balanced budget at the close of the 1958-59 fiscal year and in the 1959-60 fiscal period we will be operating with the full expectation of a substantial current account surplus at the end of the year. Manitoba has been rightly proud of her balanced budget position, and I am happy to have been able to present a budget for the 1959-60 fiscal year that is in balance, and, in fact, one in which a substantial surplus is in prospect for the close of the year.

SAVINGS AND ECONOMIES

I have given to this House on past occasions an indication of some of the methods by which we propose to accomplish the savings and economies necessary for the efficient conduct of the Province's business. We have, as the Honourable Members know, this year charged the Treasury Board - the Financial Committee of the Cabinet - with the special task of securing economy and efficiency with the aim of ending as far as possible any over-lapping or duplication throughout the departments. We are building a fine staff of people to assist in this work and, through the co-operation of the departments, we have already reported many savings to the Honourable Members.

In the broader aspects of the work of Treasury Board and its staff in the review of organization, legislation, and regulations, savings begin to reach into million dollar figures. Population studies are continuing in co-operation with the Hospital Plan and the Government of Canada and may well result in gains of hundreds of thousands of dollars for us annually in some of our arrangements with Ottawa. This brings me to the next area of substantial improvement in our financial affairs.

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Dominion-Provincial Relations

Mr. Speaker, it is with much satisfaction that I am able to report the substantial increases in many of our revenues, as shown in the Estimates. As I have indicated in my earlier review, the Canadian economy has maintained a steady and marked upward trend in recent months. We are happy to acknowledge a considerable reflection of this buoyancy in our revenues, particularly those arising through our fiscal relations with the Government of Canada. Manitoba will receive through the tax-sharing agreements with the Dominion additional revenue totalling over \$3.5 million in 1959-60, as compared to earlier indications for the year. Furthermore, we will receive another \$527,000 because of the sharp increase in our recognized population figures. The official D.B.S. estimate of Manitoba's population, at 885,000 for the first of June, represents an absolute gain of 15,000 people since last June or 50 percent more than has been recorded in population gain for this Province in any but two of the past 13 years. Instead of a declining rate of increase, we can now report a marked upward revision in our rate of growth.

So, Mr. Speaker, I am able to place before the Honourable Members an estimate of revenue under the tax-sharing agreements of \$38,115,000 for 1959-60. This estimate for Manitoba's tax-sharing payment is thus nearly \$5 million above the \$33,202,000 actually received in respect of 1958-59 under the tax-sharing arrangements.

Before passing from comment on the effects on the Province's revenue position of our relationships with the Government of Canada, I should like to summarize the principal changes in our agreements and like arrangements over the past year.

Since taking office, this Government has sought diligently to improve and expand the effectiveness of our several financial understandings with the Dominion. I have already made known to this House the burden of our efforts at the recent Dominion-Provincial meeting of finance officers. But equally as important as these Conference meetings, have been our persistent efforts to widen the technical

and administrative arrangements pertaining to the whole range of joint Dominion-Provincial programs. We are able to report very substantial benefits to the Province as a result of our endeavours. I would just outline a few of the main gains.

Since taking office, we have pioneered in Manitoba a social allowance program that is indeed unique for all of Canada. This has been made possible in large measure by agreement achieved with the Dominion Government qualifying our program for full cost-sharing. The estimated additional financial benefit to Manitoba will reach \$2 million annually when the full program of social allowances has been established.

By imaginative and co-operative negotiation, the Manitoba Hospital Services Plan has been greatly improved from both a service and financial aspect. The Dominion Government now accepts for cost-sharing out-patient medical services, the approved use for medical care of sanatoria beds, revised premium arrangements, and other important changes in the original conditions of the Plan. These benefits under the hospital services program will mean a cumulative gain to the Province of approximately \$1 million when all have been put into full effect.

The past winter saw a concerted effort by both Province and Dominion which resulted in marked reduction in the effects of unemployment on our economy. Under a winter-work agreement with Ottawa, Manitoba received approximately \$700,000 in federal contributions towards nearly 100 projects employing more than 1,500 men.

The full picture of very substantial improvement in Manitoba's position in the Dominion-Provincial partnership can be made very clear to the Honourable Members. In 1957-58, Ottawa's contribution to programs jointly administered with the Province stood at \$8,378,000. This year, preliminary figures indicate a total Dominion contribution of \$24,855,000 of which, of course, contributions to the Hospital Services Plan account for \$11.6 million. In short, annual

Dominion contributions have very nearly tripled in two years, Mr. Speaker, and many of our joint undertakings are still being developed, and new programs are in prospect. This rise, from an \$8 million contribution to \$25 million annually in two years, covers nearly every category of service and development - and to this must be added the gains under the tax-sharing arrangements. The \$38.1 million payment this year is nearly \$6 million above the 1957-58 payment - the change from 10% to 13% in the standard personal income tax rate in the tax-sharing formula, first implemented last year, has accounted for over \$4.6 million additional revenue to Manitoba.

Nor have we slackened in our endeavours to achieve greater benefits from the arrangements for tax-sharing in the major revenue fields. Another Dominion-Provincial meeting has been scheduled for October, as a result of recent discussions in Ottawa - we have every hope that Canada's economy will continue to show growing strength and that as a result we may expect further improvements in our fiscal arrangements before the end of the year.

Provincial-Municipal Relations

I do not propose to speak at length on the subject of Municipal Aid, as the House has already heard of the many improvements that we are offering to municipalities. I think it only right, however, that I should summarize the matter by saying that the estimates which the House has been asked to support include an aggregate increase in our Municipal Aid program which will approximate \$9.7 million this year. This increase arises from major changes effected in Education - \$4.8 million; Health and Social Welfare - \$2.8 million; Highways and Public Works projects - \$1 million; and Drainage Construction, Soil Erosion and Water Control, and other projects - \$1.1 million.

There are three other financial matters and policies which are of vital importance to us in our consideration of the Budget. I propose to speak on each of these in turn.

Borrowing Policy - Investment in Progress

First, this Government is of the opinion that investment is worthwhile where the cost of carrying the investment is less than the return that one makes upon it. Sometimes the investment return is not direct to the Government itself, but rather the benefits are spread widely over the entire community. This is typical of our investments in Education, but it is perhaps more easily seen in the building of Highways. We build new Highways and new roads, and we borrow to do it. We get two direct benefits as a Government:

- (1) With properly built roads, we will get a reduction in annual maintenance costs.
- (2) We will secure increased revenue from gasoline and other motor vehicle taxation since the very presence of new and better roads will attract greater use.

Individuals and companies making up our community derive other benefits in the form of more efficient and speedier transport - shorter time spent in travel, less wear and tear on vehicles - to name only a few of the more obvious kind of benefits. These dollar savings accrue to the people themselves rather than to the government directly, and therefore make our citizens more able to carry whatever taxation is necessary and, at the same time, to enjoy a net economic gain in their everyday living.

"PAY AS YOU USE"

Previous administrations have borrowed from time to time for roads. We propose to do the same. However, we also propose to define our policy as one of "pay as you use". We feel that the economic development of this Province will be greatly assisted by public investment in roads, in flood protection, and in other developments that we can pay for over the years in which we use them; at the same time, we will be enjoying an immediate and important net gain which will result from the investment, and which will accrue to all.

Naturally, I am concerned that the weight of debt on our provincial revenues be one that we can support. I have already mentioned the fact that our net interest costs to the Treasury will be under \$8,000 in the current year. You will have noted, when the estimates of Expenditure were placed before you, that for general government purposes - for roads, buildings and other public works - we have asked for authority to borrow \$4.8 million more this year than last year. This is not a substantial increase.

We have also introduced a new policy this year with respect to providing money for certain important and useful public causes. Authorization requested of this House will permit us to guarantee the debt of certain approved institutions, to assist them in accomplishing their vital public purposes. Our policy is flexible. We have sought authority either to make direct loans and advances or to guarantee the securities of such approved institutions, or in some cases to make outright grants. With a flexible authority we will be able to take whatever course is best at the time the money is required. We will also have authority to charge these and other capital items to our surplus current account funds during the current year.

We will also have sought, as usual, sufficient authority to provide capital for our Utilities. The Capital Supply Bill asks for \$22.5 million for the Manitoba Power Commission, the Manitoba Telephone System, and the Manitoba Hydro-Electric Board - as against the \$18.2 million request made last year.

Before leaving the subject of capital need and debt management, I want to make one more observation. Some years ago the Province adopted a policy of setting aside sufficient sinking fund moneys to retire each new "dead-weight" debt in a period of not more than twenty-three years. This policy is unchanged.

RESERVES

The second major financial policy about which I wish to speak deals with the treatment of our reserves. These funds in the past had in part been used by the previous administration for investment in government enterprises and this seems to me to have been a suitable use. They had also been drawn down in the past to provide revenue for the year then current. We propose to use the reserves as far as possible as revolving funds for investment purposes. For an example, we propose to use some of our Post War reserve to provide working capital for the Agricultural Development Fund and for the Industrial Development Fund, and in both cases the money will have been advanced and will represent an investment of our reserve rather than its dissipation. The investment of our reserves for development is sound and their use in this way will bring a great advantage to Manitoba.

TAX POLICY

I wish to speak last on the subject of Tax Policy. I am proposing no new taxes. There will be some fee changes, for our policy in this connection is that where the Province provides a valuable service we propose to charge fees sufficient at least to match our costs. In some cases, our fee structure has not been changed for decades. When all other costs have been rising, it is high time that some of our fees should rise somewhat in proportion. There have been comments from time to time that fees are simply another form of taxation - "hidden taxes" has been one reference. I would suggest that this analogy does not apply when a service is being provided - especially a service valued in excess of the revenue realized from fees associated with a particular program.

I would draw the Honourable Members attention to the fact that, in many cases, apparent cost is far less than the real cost of supporting a service. Nor should we overlook the full value to individuals and firms of our services - often a very high value indeed.

What we plan to do is to adjust certain fees to more rational and reasonable relationships to the services being provided. To the extent that it is practical, we feel that a service capable of "paying its way" should do so. The fee is the permit to participate in the particular benefits of a specific service - it is not a tax to support a general service the benefits of which are universal. None of the changes to be proposed will in themselves be found to be substantial, but the over-all gain to the Province will be important and will help us to provide from the moneys thus saved from general revenues the greater aid to education and health and welfare for our people that all of us desire.

CONCLUSION

In the past few weeks, the Honourable Members have had placed before them the plans and programs proposed by this Government for its first full fiscal year of stewardship over the affairs of our Province. The comprehensive nature of our proposals for the development of Manitoba has been clearly indicated in the detailed presentations of my colleagues. The Government's program is one requiring a maximum of effort if it is to be fulfilled. I have no doubt as to its success.

The fundamental theme of this Budget is development - balanced and integrated development of every facet of Manitoba's social and economic potential. This theme of progress has been incorporated throughout the various undertakings set before you. It is also the basis for our proposals to meet the financial requirements of our legislative program. We propose to pay for progress through the increased productivity that our investment in Manitoba will make possible.

Our investment in a growing community will engender yet greater expansion for industry, for agriculture, for mining and for all of the other sectors of trade and commerce which comprise our economy. Our programs are designed to

stimulate reciprocal initiative throughout the Province. We will call upon the best and most imaginative elements of both public and private enterprise to promote the progress for which we have planned.

The expenditures that this House has been asked to approve will be the means by which this Government will provide the economic foundation upon which the collective and individual efforts of our people may be developed. We do not propose to do for the people of Manitoba those things regarding which they have amply demonstrated the capacity to do for themselves. Rather, we intend to encourage such initiative by expanding the capacity of our economy through wise investment and development. We will give to our citizens better tools to do the work of building a better and more prosperous Province. Every dollar expended will be an investment made in the fullest confidence that Manitobans mean to make the most of their potential.

What that potential may be can perhaps be best suggested by reference to the evidence of current economic resurgence, not only in Manitoba, but throughout Canada. It was not so very many months ago that we were being warned by many dire prophets of inevitable disaster, and advised that our economy was dangerously close to collapse. Mr. Speaker, the present answers the past.

In conclusion, may I say that we believe in balanced budgets - especially in buoyant times. We ended the 1958-59 fiscal year with a balanced budget and a substantial surplus, and we have entered the 1959-60 fiscal year with our current accounts in balance and with a substantial surplus again in sight for next March 31st. At the same time, we have greatly increased our aid and development programs to speed the day when the economy of this Province will have been advanced to its rightful place in the Canadian nation. We look to a time when the investments of today, both in the welfare of the people and in the development of resources, will return to us all those dividends that will make this a still more affluent society.

We live in a Province of which we are all proud. We are building a still greater one.

And so, Mr. Speaker, I do now move that this House resolve itself into Committee of Ways and Means to consider the Revenue Estimates for the fiscal year 1959-60.

FINANCIAL CHARTS AND TABLES

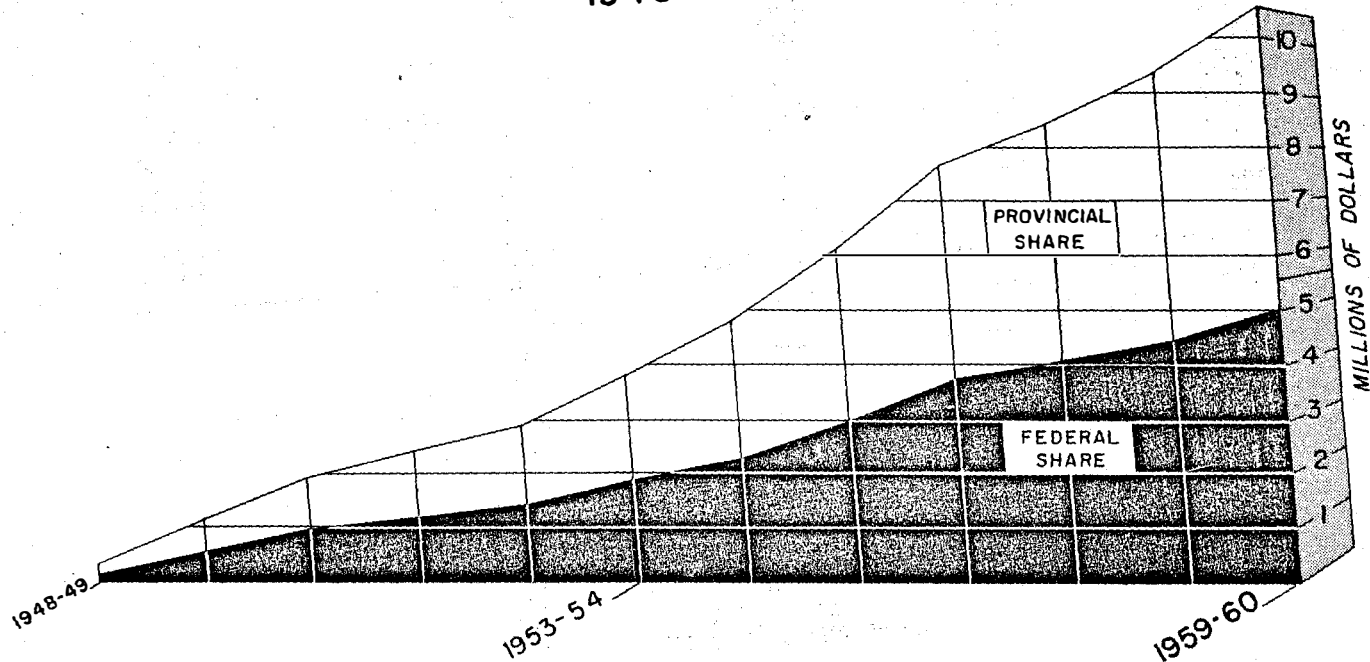
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HOSPITAL CONSTRUCTION GRANTS
1948 - 1960
(Thousands of Dollars)

Fiscal Year	Total	On a Cumulative Basis		
		Total	Federal Share	Provincial Share
1948-49	319	319	136	183
1949-50	818	1,137	541	596
1950-51	797	1,934	934	999
1951-52	461	2,395	1,166	1,228
1952-53	449	2,844	1,384	1,459
1953-54	891	3,734	1,806	1,928
1954-55	1,015	4,750	2,270	2,480
1955-56	1,339	6,089	2,943	3,146
1956-57	1,571	7,660	3,717	3,943
1957-58	732	8,392	4,039	4,353
1958-59	974	9,366	4,471	4,895
1959-60 *	1,221	10,587	5,082	5,505

* Estimated
Source: Treasury Department.

PROVINCE OF MANITOBA HOSPITAL CONSTRUCTION GRANTS ON A CUMULATIVE BASIS 1948 - 1960



HIGHWAY REVENUE AND EXPENDITURE FOR SELECTED FISCAL YEARS 1945-46 TO 1959-60
(Thousands of Dollars)

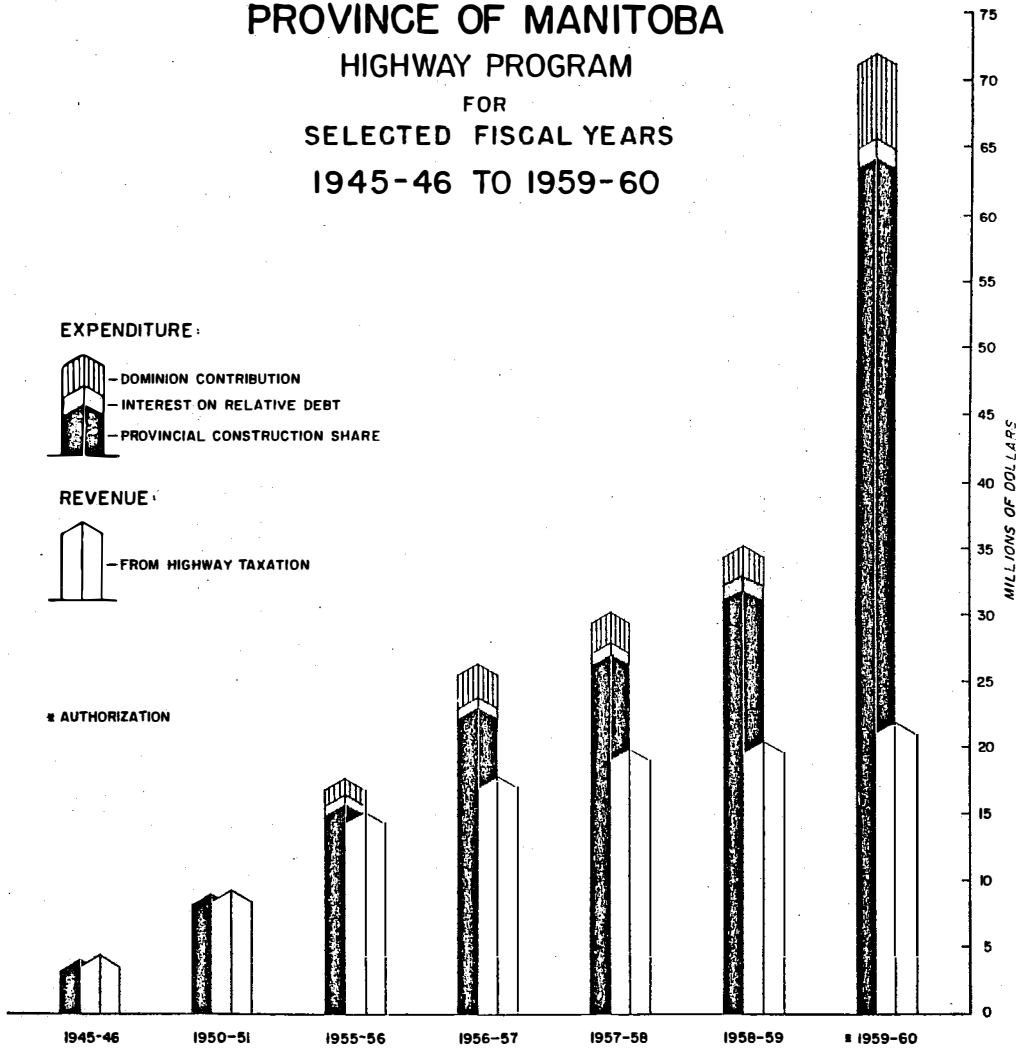
Fiscal Year	Revenue*	Expenditure**
1945-46	4,389	3,980
1950-51	9,227	9,140
1955-56	15,033	17,757
1956-57	17,877	26,432
1957-58	19,979	30,257
1958-59	20,572	35,517
1959-60 estimated	22,221	72,052 ¹

* Includes net gasoline tax, motive fuel users' tax, and motor vehicle and driver licensing fees of all kinds.

** Includes Dominion contribution and interest on relative debt.

¹ Authorization.

PROVINCE OF MANITOBA HIGHWAY PROGRAM FOR SELECTED FISCAL YEARS 1945-46 TO 1959-60



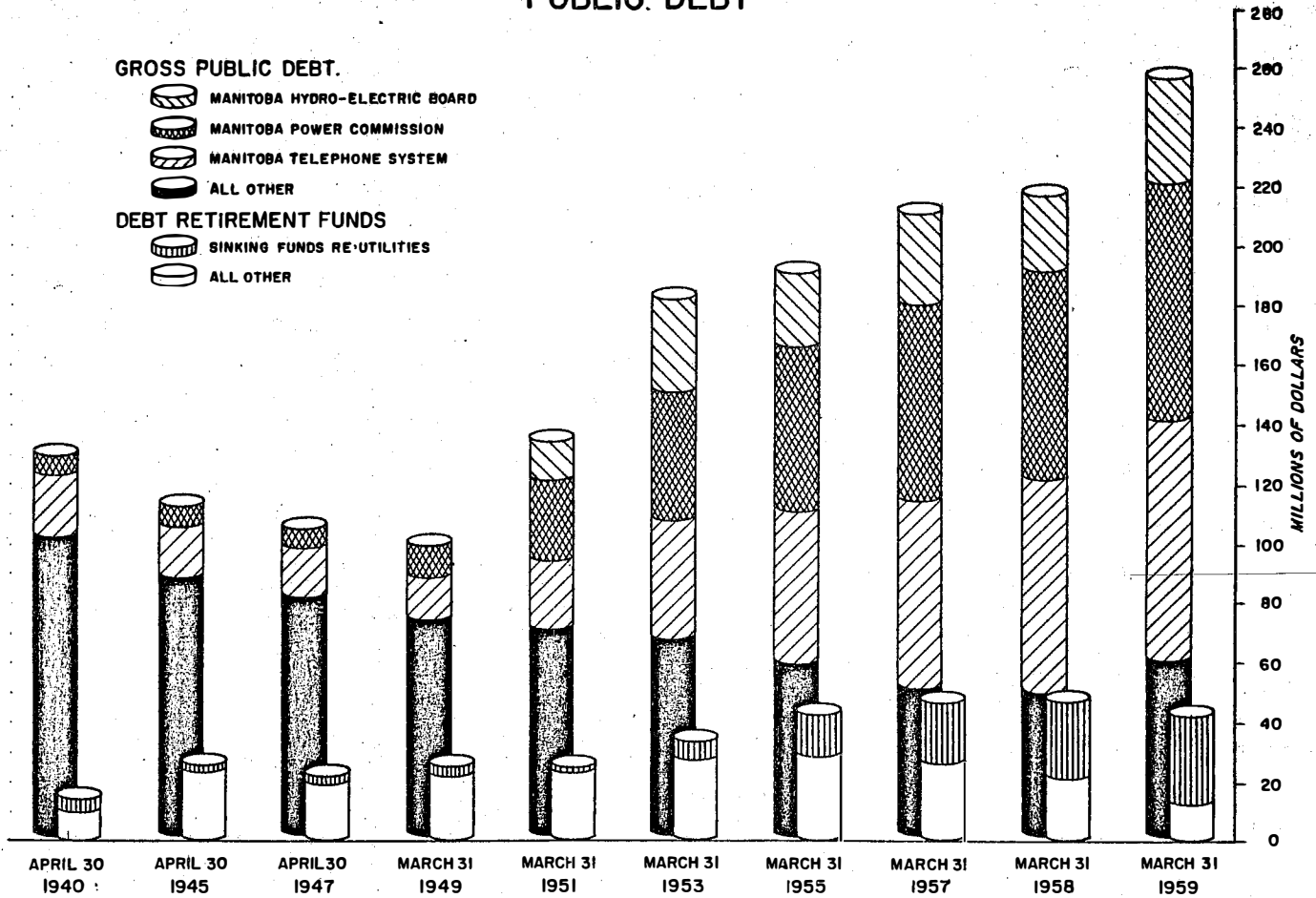
PUBLIC DEBT
SHOWING MAKE-UP OF GROSS DEBT & DEBT RETIREMENT FUNDS
(Thousands of Dollars)

AS AT —	GROSS DEBT					DEBT RETIREMENT FUNDS		
	Manitoba Telephone System	Manitoba Power Commission	Manitoba Hydro- Electric Board	All Other	TOTAL	Sinking Funds Re: Utilities	All Other	TOTAL
April 30, 1940	21,108	6,913	.....	102,151	130,172	5,203	9,236	14,439
April 30, 1945	17,047	7,145	.....	88,997	113,189	2,848	22,614	25,462
April 30, 1947	16,999	7,046	.....	82,086	106,131	3,341	18,559	21,900
March 31, 1949	14,209	11,654	.....	74,968	100,831	3,769	21,819	25,588
March 31, 1951	23,785	27,295	13,280	71,619	135,979	1,966	22,251	24,218
March 31, 1953	40,675	42,862	31,157	67,200	181,894	6,342	27,077	33,419
March 31, 1955	51,640	56,521	24,260	59,170	191,591	14,517	28,284	42,801
March 31, 1957	62,527	65,568	30,560	51,839	210,494	20,969	25,508	46,477
March 31, 1958	71,495	70,531	25,760	50,212	217,998	26,422	20,529	46,951
March 31, 1959 *	80,995	79,751	35,760	60,522	257,028	30,527	12,297	42,824

* Estimated

Source: Treasury Department.

PROVINCE OF MANITOBA PUBLIC DEBT



PROVINCE OF MANITOBA NET GENERAL DEBT



NET GENERAL DEBT

(Thousands of dollars)

AS AT -	NET GENERAL DEBT
April 30, 1940.....	92,914
April 30, 1945.....	66,383
April 30, 1947.....	63,527
March 31, 1949.....	53,149
March 31, 1951.....	49,368
March 31, 1953.....	40,123
March 31, 1955.....	30,887
March 31, 1957.....	26,331
March 31, 1958.....	29,683
March 31, 1959 (Estimated).....	48,224

Source: Treasury Department.

COMPARATIVE STATEMENT SHOWING THE MAKE-UP AND DISTRIBUTION OF THE
GROSS PUBLIC DEBT FOR THE YEARS ENDING MARCH 31, 1958
AND MARCH 31, 1959. (Estimated).

	March 31, 1958	March 31, 1959	Increase(↓) or Decrease (-)
Manitoba Debentures	\$ 177,301,500.00	\$ 204,026,000.00	\$ 26,724,500.00 /
Treasury Bills	40,695,842.38	53,000,819.78	12,304,977.40 /
Total Gross Debt			
Ex Guaranteed Securities ¹	\$ 217,997,342.38	\$ 257,026,819.78	\$ 39,029,477.40 /
Gross Debt for Self-Sustaining Utilities:			
Telephone System, Power Commission and Hydro-Electric Bd.	167,785,269.60	196,505,238.26 ²	28,719,968.66 /
Gross Non-Utilities Debt	\$ 50,212,072.78	\$ 60,521,581.52	\$ 10,309,508.74 /
Less - Sinking Funds and Other Earmarked Fund held for General Debt Retirement (Estimate)	20,528,592.97	12,297,232.10	8,231,360.87 -
Net General Debt	\$ 29,683,479.81	\$ 48,224,349.42	\$ 18,540,869.61 /

¹Guaranteed Securities as at March 31, 1959, wherein the Province has guaranteed both principal and interest:

Manitoba Hydro-Electric Board Bonds and Notes	\$ 71,750,000.00
Other	<u>1,151,826.56</u>
	\$ <u>72,901,826.56</u>

²Gross Provincial Direct Debt for Self-Sustaining Utilities:

Manitoba Telephone System	\$ 80,994,631.58
Manitoba Power Commission	79,750,606.68
Manitoba Hydro-Electric Board	<u>35,760,000.00</u>
	\$ <u>196,505,238.26</u>

Sinking Funds and other Funds for Direct & Guaranteed Utility Debt

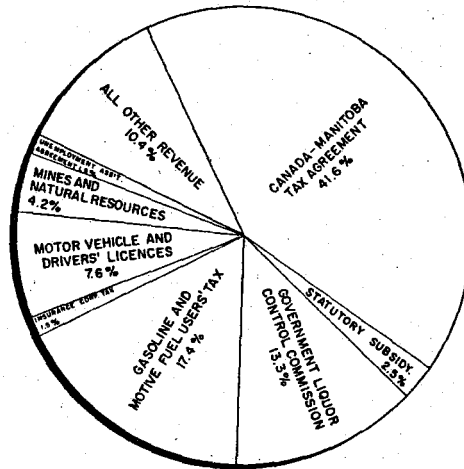
\$ 30,527,294.39

³Sinking Funds Held for Other than Utility Debt Retirement, as above:

Reserve for Debt Retirement	\$ 11,214,862.20
Land Drainage Sinking Fund	257,000.00
Other Earmarked Funds	<u>825,369.90</u>
	\$ <u>12,297,232.10</u>

Source: Treasury Department.

PROVINCE OF MANITOBA
ESTIMATED REVENUE
1958-59

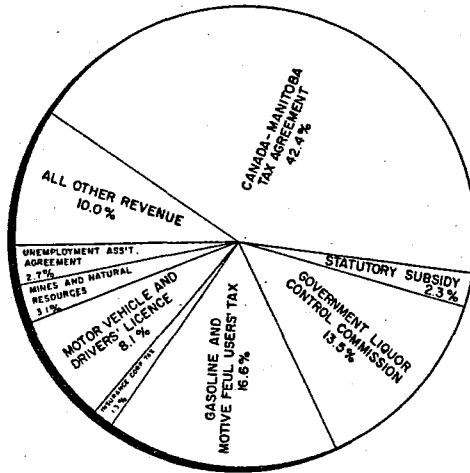


REVENUE BY SOURCE
- Revenue Account -
1958-59 Main Estimates

Source	Revenue	Percentage of Total Revenue
	\$	%
Canada-Manitoba Tax Agreement	33,755,000	41.6
Statutory Subsidy	2,032,000	2.5
Government Liquor Control Commission	10,800,000	13.3
Gasoline and Motive Fuel Users' Tax	14,075,000	17.4
Tax on Insurance Corporations	1,200,000	1.5
Motor Vehicle and Drivers' Licences	6,200,000	7.6
Mines and Natural Resources	3,380,500	4.2
Canada-Manitoba Unemployment Assistance Agreement	1,200,000	1.5
All Other	8,430,500	10.4
TOTAL	81,073,000	100.0

Source: Treasury Department.

PROVINCE OF MANITOBA
ESTIMATED REVENUE
1959-60



REVENUE BY SOURCE
 - Revenue Account -
 1959-60 Main Estimates

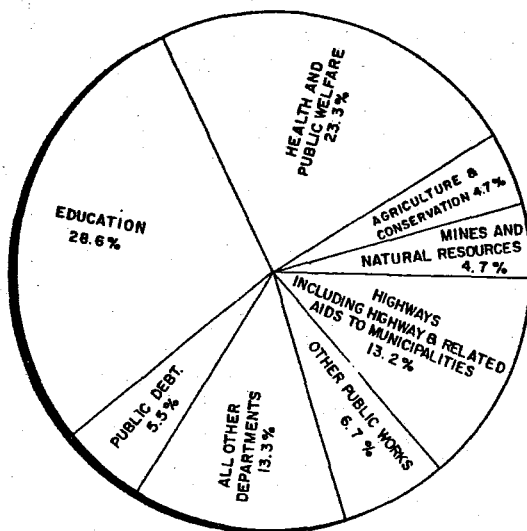
Source	Revenue	Percentage of Total Revenue
	(\$)	(%)
Canada-Manitoba Tax Agreement	38,115,000	42.4
Statutory Subsidy	2,032,000	2.3
Government Liquor Control Commission	12,150,000	13.5
Gasoline and Motive Fuel Users' Tax	14,920,000	16.6
Tax on Insurance Corporations	1,125,000	1.3
Motor Vehicle and Drivers' Licences	7,301,000	8.1
Mines and Natural Resources	2,820,390	3.1
Canada-Manitoba Unemployment Assistance Agreement	2,439,000	2.7
All Other	9,046,800	10.0
	89,949,190	100.0

Source: Treasury Department

PROVINCE OF MANITOBA ESTIMATED EXPENDITURE

— REVENUE ACCOUNT —

1958-59



EXPENDITURE BY DEPARTMENT*
- Revenue Account -
1958-59 Main Estimates

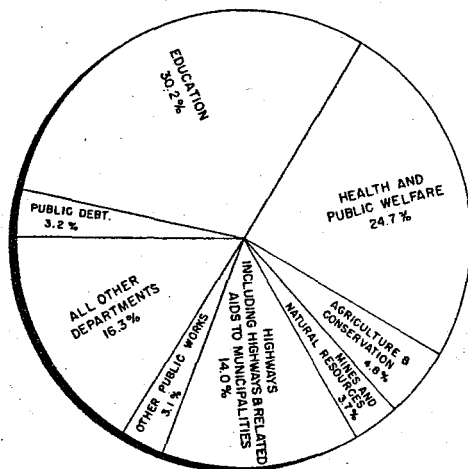
Department	Expenditure	Percentage of Total Expenditure
	(\$)	(%)
Education	23,138,305	28.6
Health and Public Welfare	18,893,932	23.3
Agriculture and Conservation	3,816,320	4.7
Mines and Natural Resources	3,795,603	4.7
Highways (including Highway and Related Aids to Municipalities)	10,728,330	13.2
Other Public Works	5,405,151	6.7
All Other Departments	10,804,736	13.3
Public Debt	4,449,652	5.5
TOTAL	81,032,029	100.0

Source: Treasury Department.

*Adjusted to show comparability with reorganized departments 1959-60.

PROVINCE OF MANITOBA ESTIMATED EXPENDITURE

REVENUE ACCOUNT
1959-60

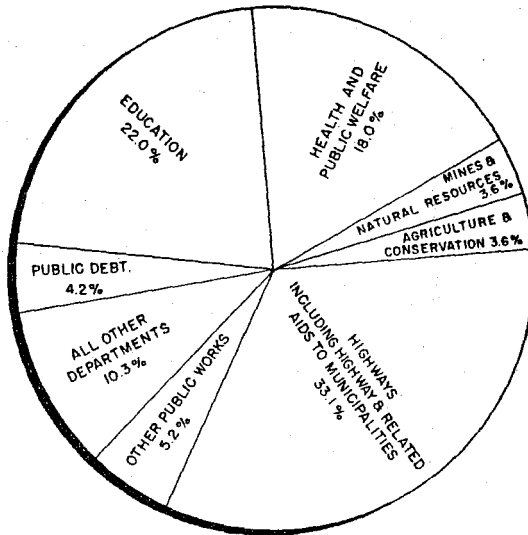


EXPENDITURE BY DEPARTMENT
- Revenue Account -
1959-60 Main Estimates

Department	Expenditure	Percentage of Total Expenditure
	\$	%
Education	25,560,530	30.2
Health and Public Welfare	20,923,382	24.7
Agriculture and Conservation	4,021,780	4.8
Mines and Natural Resources	3,171,119	3.7
Highways (including Highway and Related Aids to Municipalities)	11,826,990	14.0
Other Public Works	2,655,880	3.1
All Other Departments	13,776,816	16.3
Public Debt	2,664,945	3.2
TOTAL	84,601,442.	100.00

Source: Treasury Department.

PROVINCE OF MANITOBA
ESTIMATED EXPENDITURE
 — REVENUE AND CAPITAL ACCOUNTS —
1958-59



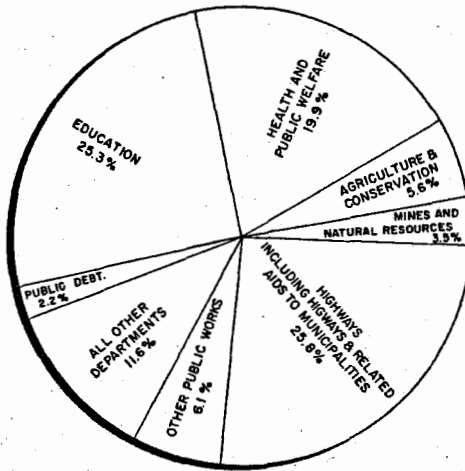
EXPENDITURE BY DEPARTMENT*
 - Revenue and Capital Accounts -
 1958-59 Main Estimates

Department	Expenditure	Percentage of Total Expenditure
	(\$)	(%)
Education	23,138,305	22.0
Health and Public Welfare	18,893,932	18.0
Agriculture and Conservation	3,816,320	3.6
Mines and Natural Resources	3,795,603	3.6
Highways (including Highway and Related Aids to Municipalities)	34,695,330	33.1
Other Public Works	5,405,151	5.2
All Other Departments	10,804,736	10.3
Public Debt	4,449,652	4.2
TOTAL	104,999,029	100.0

Source: Treasury Department

* Adjusted to show comparability with reorganized departments 1959-60.

PROVINCE OF MANITOBA
ESTIMATED EXPENDITURE
 -REVENUE AND CAPITAL ACCOUNTS-
1959-60



EXPENDITURE BY DEPARTMENT
 - Revenue and Capital Accounts -
 1959-60 Main Estimates

Department	Expenditure	Percentage of Total Expenditure
	\$	%
Education	30,646,330	25.3
Health and Public Welfare	24,136,647	19.9
Agriculture and Conservation	6,743,775	5.6
Mines and Natural Resources	4,172,119	3.5
Highways (including Highway and Related Aids to Municipalities)	31,208,490	25.8
Other Public Works	7,405,880	6.1
All Other Departments	14,076,816	11.6
Public Debt	2,664,945	2.2
TOTAL	121,055,002	100.0

Source: Treasury Department.

REVENUE AND EXPENDITURE
- Revenue Account -
1901 - 1959

Year	Revenue	Expenditure
	\$	\$
1901 (Fiscal year ending December 31, 1901)	1,008,653.00	988,251.00
1911 (Fiscal year ending December 31, 1911)	4,454,190.00	4,002,826.00
1921 (Fiscal year ending November 30, 1921)	9,800,861.00	10,401,895.00
1931 (Fiscal year ending April 30, 1932)	14,631,341.00	14,631,341.00
1941 (Fiscal year ending April 30, 1942)	19,920,813.00	18,151,988.00
1951 (Fiscal year ending March 31, 1952)	48,535,695.00	42,394,917.00 *
1956 (Fiscal year ending March 31, 1957)	67,475,382.00	66,803,461.00
1957 (Fiscal year ending March 31, 1958)	80,123,615.00	80,119,247.00
1958 (Fiscal year ending March 31, 1959)	85,356,800.00	81,615,122.00
1959 (Fiscal year ending March 31, 1960)	89,949,190.00 ¹	84,601,442.00 ¹

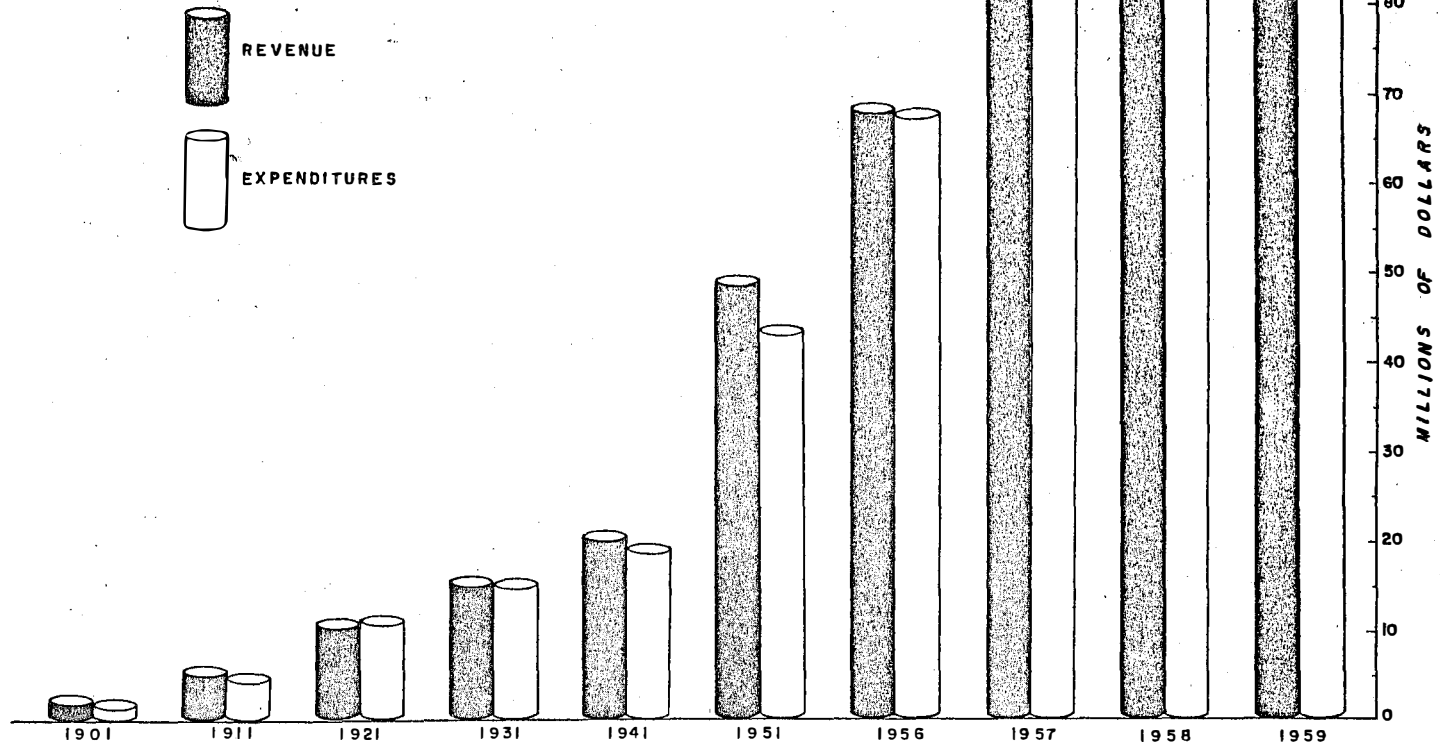
* Excludes 1950 Flood Control and Emergency Expenditures of \$3,942,423.00.

¹ Estimated.

Source: Treasury Department.

PROVINCE OF MANITOBA REVENUE AND EXPENDITURE

FISCAL YEARS ENDING MARCH 31



COMPARATIVE STATEMENT SHOWING REVENUE AND EXPENDITURE FOR THE YEARS ENDING MARCH 31, 1959 (ACTUAL)
AND MARCH 31, 1960 (MAIN ESTIMATES)

Department	Revenue		Expenditure	
	1958-59	1959-60	1958-59	1959-60
	(\$)	(\$)	(\$)	(\$)
Legislation	37,167	51,000	610,768	811,145
Executive Council	-	-	657,411	696,735
Treasury	58,315,472	60,961,300	3,790,940	2,989,873
Provincial Secretary	163,243	217,000	208,535	1,027,385
Education	727,801	988,600	22,060,724	25,560,530
Agriculture and Conservation	57,317	658,400	2,126,053	4,021,780
Attorney-General	12,608,896	13,656,000	3,526,278	3,631,040
Health and Public Welfare	3,094,768	3,052,100	19,043,977	20,923,382
Mines and Natural Resources	3,685,520	2,820,390	3,776,394	3,171,119
Public Utilities	6,509,682	7,377,100	1,516,778	1,589,677
Public Works	41,125	44,500	15,883,577	14,482,870
Municipal Affairs	-	-	220,749	229,732
Labour	113,074	120,000	519,864	712,150
Industry and Commerce	2,735	2,800	739,227	1,124,079
Salary Increases	-	-	-	965,000
Public Debt	-	-	6,933,925	2,664,945
TOTAL	85,356,800	89,949,190	81,615,200	84,601,442
	1958-59		1959-60	
	(\$)		(\$)	
Estimated Revenue	85,356,800		89,949,190	
Estimated Expenditure	<u>81,615,200</u>		<u>84,601,442</u>	
Apparent Surplus	3,741,600		5,347,748	

Source: Treasury Department.