



Legislative Assembly Of Manitoba

DEBATES and PROCEEDINGS

Speaker

The Honourable A. W. Harrison



Vol. VII No. 81 8:00 p.m. Thursday, April 26, 1962.

5th Session, 26th Legislature

ELECTORAL DIVISION	NAME	ADDRESS
ARTHUR	J. D. Watt	Reston, Man.
ASSINIBOIA	Geo. Wm. Johnson	212 Oakdean Blvd., St. James, Wpg.12
BIRTLE-RUSSELL	Robert Gordon Smellie	Russell, Man.
BRANDON	R. O. Lissaman	832 Eleventh St., Brandon, Man.
BROKENHEAD	E. R. Schreyer	2-1177 Henderson Hwy., Winnipeg 16
BURROWS	J. M. Hawryluk	84 Furby St., Winnipeg 1
CARILLON	Edmond Prefontaine	St. Pierre, Man.
CHURCHILL	J. E. Ingebrigtsen	Churchill, Man.
CYPRESS	Mrs. Thelma Forbes	Rathwell, Man.
DAUPHIN	Hon. Stewart E. McLean Q.C.	Legislative Bldg., Winnipeg 1
DUFFERIN	William Homer Hamilton	Sperling, Man.
ELMWOOD	S. Peters	225 Melrose Ave., Winnipeg 15
EMERSON	John P. Tanchak	Ridgeville, Man.
ETHELBERT PLAINS	M. N. Hryhorczuk, Q. C.	Ethelbert, Man.
FISHER	Peter Wagner	Fisher Branch, Man.
FLIN FLON	Hon. Charles H. Witney	Legislative Bldg., Winnipeg 1
FORT GARRY	Hon. Sterling R. Lyon, Q. C.	Legislative Bldg., Winnipeg 1
FORT ROUGE	Hon. Gurney Evans	Legislative Bldg., Winnipeg 1
GIMLI	Hon. George Johnson	Legislative Bldg., Winnipeg 1
GLADSTONE	Nelson Shoemaker	Neepawa, Man.
HAMIOTA	B. P. Strickland	Hamiota, Man.
INKSTER	Morris A. Gray	141 Cathedral Ave., Winnipeg 4
KILDONAN	A. J. Reid	561 Trent Ave., E. Kild., Winnipeg 15
LAC DU BONNET	Oscar F. Bjornson	Lac du Bonnet, Man.
LAKESIDE	D. L. Campbell	326 Kelvin Blvd., Winnipeg 29
LA VERENDRYE	Stan Roberts	Nlverville, Man.
LOGAN	Lemuel Harris	1109 Alexander Ave., Winnipeg 3
MINNEDOSA	Hon. Walter Weir	Legislative Bldg., Winnipeg 1
MORRIS	Harry P. Shewman	Morris, Man.
OSBORNE	Oble Batzley	185 Maplewood Ave., Winnipeg 13.
PEMBINA	Mrs. Carolyne Morrison	Manitou, Man.
PORTAGE LA PRAIRIE	Hon. John Aaron Christanson	Legislative Bldg., Winnipeg 1
RADISSON	Russell Pauley	435 Yale Ave. W., Transcona 25, Man.
RHINELAND	J. M. Froese	Winkler, Man.
RIVER HEIGHTS	W. B. Scarth, Q. C.	407 Queenston St., Winnipeg 9
ROBLIN	Keith Alexander	Roblin, Man.
ROCK LAKE	Hon. Abram W. Harrison	Holmfeld, Man.
ROCKWOOD-IBERVILLE	Hon. George Hutton	Legislative Bldg., Winnipeg 1
RUPERTSLAND	J. E. Jeannotte	Meadow Portage, Man.
ST. BONIFACE	Laurent Desjardins	138 Dollard Blvd., St. Boniface 6, Man.
ST. GEORGE	Elman Guttormson	Lundar, Man.
ST. JAMES	D. M. Stanes	381 Guildford St., St. James, Wpg.12
ST. JOHN'S	David Orlikow	179 Montrose St., Winnipeg 9
ST. MATTHEWS	W. G. Martin	924 Palmerston Ave., Winnipeg 10
ST. VITAL	Fred Groves	3 Kingston Row, St. Vital, Wpg. 8
STE. ROSE	Gildas Molgat	Ste. Rose du Lac, Man.
SELKIRK	T. P. Hillhouse, Q. C.	Domintion Bank Bldg., Selkirk, Man.
SEVEN OAKS	Arthur E. Wright	4 LordGlenn Apts., 1944 Main St., Wpg. 17
SOURIS-LANSDOWNE	M. E. McKellar	Nesbitt, Man.
SPRINGFIELD	Fred T. Klym	Beausejour, Man.
SWAN RIVER	A. H. Corbett	Swan River, Man.
THE PAS	Hon. J. B. Carroll	Legislative Bldg., Winnipeg 1
TURTLE MOUNTAIN	E. I. Dow	Bolssevaln, Man.
VIRDEN	Hon. John Thompson, Q. C.	Legislative Bldg., Winnipeg 1
WELLINGTON	Richard Seaborn	594 Arlington St., Winnipeg 10
WINNIPEG CENTRE	James Cowan Q. C.	512 Avenue Bldg., Winnipeg 2
WOLSELEY	Hon. Duff Roblin	Legislative Bldg., Winnipeg 1

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Thursday, April 26th, 1962.

MR. SPEAKER: Second reading of Bill No. 106.

MR. ROBLIN: I think, Mr. Speaker, that if it meets with your approval, we will proceed with the motion on Ways and Means and with the Budget Address.

BUDGET STATEMENT AND ECONOMIC REVIEW
BY THE HONOURABLE DUFF ROBLIN
PREMIER AND PROVINCIAL TREASURER OF MANITOBA
1962

Mr. Speaker:

This is the fourth time I have had the honour to rise in this House to make the traditional motion on the ways and means of meeting the requirements of Her Majesty's Government in Manitoba for another fiscal year.

In doing so on this occasion, Mr. Speaker, I shall begin with a review of our overall economic circumstances and progress for the past year, following which I wish to focus the attention of the House on particular aspects of our financial policies as these have been developed in the light of those economic circumstances and in relation to our objectives for development in Manitoba.

In addition, I will table a supplementary report on the general progress in our affairs since 1958. The subject matter of this supplementary review has been dealt with at considerable length in the Committee of Supply but will, I think, form a useful reference to the progress of our programmes.

THE ECONOMIC REVIEW

Mr. Speaker, at the time of the Budget presentation last year we were concerned with an obvious slackening in the pace of activity and progress in Canada's economy. While this Province had fared rather better than many other parts of the country, we recognized the effects on our Provincial economy of any protracted down-turn at the national level. However, because of the inherent strengths of the Canadian economy, we emphasized our confidence in the eventual outcome.

Events and circumstances recorded for the year since my last review have borne out this confidence. I do not suggest, Mr. Speaker, that we have solved all of the problems facing us. But we have resumed a forward momentum in our economic affairs and, with this resumption of a higher rate of growth and development, we have moved toward greater strength with which we may confidently and effectively meet other problems and other objectives.

Manitoba's agricultural economy experienced a severe test through drought during 1961. This condition, the most general of its kind experienced by this province in the present century, has been reflected not only in hardship for many farmers but in less evident effects felt by business and industry closely associated with agriculture. The shortage of moisture prevailed over the whole of the province, with the most severe effects being experienced in the north-west and western portion of the agricultural area. The reduced yields of cereal and forage crops, although of high quality, brought the net value of farm production to \$202 million for an average per farm which was only a little more than the lowest figure in the last ten years.

The shortages of livestock feed supplies and of water were the most pressing problems which developed. This Government moved quickly in introducing emergency measures to lessen the severity of the situation. In co-operation with the Government of Canada and the two major railways, transportation was provided for the movement of fodder by rail. Financial assistance was also provided in the truck transportation of feed supplies, haying equipment and livestock and in the development of community wells to provide additional water supplies. The assistance provided through these programmes by the two Governments will amount to approximately \$770,000.

The effects of contraction on the farm were inevitably reflected in other sectors of the

(Mr. Roblin, cont'd.) . . . Provincial economy. Retail trade totals, for example, showed the understandable restraint imposed by the drought conditions on purchases. Over the year, 1961 retail sales were about three percent below 1960.

It will be many months before the full cost of the 1961 crop losses will have had an opportunity to work through the economy. In fact, it is always very difficult to get a final cost for such occurrences. What may be said, however, is that the unfavourable effects of the drought would have been much more extensively felt in the economy had not the increasingly diversified urban and rural industry in Manitoba aided in offsetting those effects. Municipal tax collections, loan repayments, accounts receivable and related indicators all showed a stability that would have been beyond most optimistic expectations not many years past.

We do not minimize the seriousness of the drought losses. We do emphasize that the economy has sustained them well. However, the farmers' reserves have been lowered. Poor moisture effects in 1962 will be more difficult to meet from this point of view. But other factors tend to mitigate this danger to some extent. We are for the first time in many years able to encourage full planting -- in the absence of grain surpluses. Government measures played a significant part in the successful retention last summer of livestock herds and we have moved again in recent weeks to ensure sustained feed supplies for these herds. This will mean that the livestock farmers of Manitoba in 1962 will be able to share in the good market created by rising meat consumption.

The other principal economic aspect of 1961's dry weather was the substantial resource loss in our forests as a result of fire. The immediate cost to the Provincial Treasury was set at a preliminary \$1.2 million. We are not yet in a position to measure the final cost either to the Treasury directly or to the wider interests of business, tourism, recreation and other activities based on or related to forest economies, either wholly or in part. Last summer's fire losses will indeed cost much to make good.

Our confidence in a recovery of pace in the general economy during 1961 was well founded. Mid-way through the second quarter, the national accounts of economic activity showed the reversal of the slide in many indicators. The period since May of last year has been one of upward trends in many sectors. Aggregate individual income continued to rise and there were substantial recoveries in corporate earnings, although the extension of the previous decline into the early months of 1961 meant that for many firms, profit records would not surpass the 1960 levels until 1962.

Canada's gross national product again rose over the past year by between two and three percent. However, the share of the gross national product accruing from non-farm activity began in the third quarter to approximate the five percent growth rate deemed essential to sustained national progress. In Manitoba, in spite of the substantial loss of agricultural production, preliminary estimates of gross provincial income -- our estimated provincial share of the gross national product -- indicated a rise of about 2-1/2 percent to some \$1,841 million in 1961 over the \$1,796 million estimated for 1960. The gains were largely in the non-farm volume of output, and did not reflect wide price variations. It was a mixed year of gains and weaknesses, but the total effect pointed toward sustained growth.

As a general measure of the pace of business in the province, the total for cheques passed through clearing centres reached a record level well above \$20 billion last year. Personal income in the province is now estimated to have reached \$1,413 million or \$41 million above 1960. Even farm difficulties incurred as a result of drought losses were eased by interim payments on excellent grain sales. Estimates by the Dominion Bureau of Statistics, made following the 1961 Census, placed the Provincial population at over 921,000 in June of last year, with adjustments still to come in the detailed analysis of the census. And I may say that I think this puts us ahead of the Province of Saskatchewan for the first time in the last 50 years. The census data available to date indicates a continuing increase in the urban centres at the expense of rural communities.

As we noted in reference to the agricultural conditions, there was some softening of retail sales during 1961 -- \$818 million as compared to \$843 million in 1960. Manufacturing shipments in Manitoba rose from \$728 million in 1960 to \$770 million last year, reflecting forward momentum in much of the processing sector of the economy. Construction values remained above the \$400 million mark in the Province as housing starts rose by 10 percent over 1960 and industrial building permits issued more than doubled in value over the year.

COMPARISON OF MANITOBA'S ESTIMATED GROSS PROVINCIAL INCOME
AND GROSS NATIONAL PRODUCT
(Millions of Dollars)

Year	Manitoba's Estimated Gross Provincial Income	% Increase Over Previous Year	Gross National Product	% Increase Over Previous Year
1950	1,016	8.3	18,203	11.3
1951	1,164	14.6	21,474	18.0
1952	1,259	8.2	23,255	8.3
1953	1,255	- 0.3	24,473	5.2
1954	1,252	- 0.2	24,871	1.6
1955	1,373	9.7	27,132	9.1
1956	1,574	14.6	30,585	12.7
1957	1,557	- 1.1	31,909	4.3
1958	1,681	8.0	32,894	3.1
1959	1,771	5.4	34,784	5.7
1960	1,796	1.4	35,928	3.3
1961*	1,841	2.5	36,844	2.5

* Projected.

Source: Treasury Department.

(Mr. Roblin, cont'd.)

More than 80 individuals, community corporations and new or established enterprises have been aided by the Manitoba Development Fund since its inception, and this work continued in 1961. The total of Fund investments now either committed or approved approximates \$10 million. These investments have created more than 1,200 new jobs and very nearly a matching dollar amount investment by the enterprises receiving the Development Fund support. More than \$18.2 million has been invested by the partnership of the Fund and private enterprise. In turn, this has given rise to \$12.7 million in new factory output and nearly \$600,000 in new direct tourist revenue annually. The added industrial strength has been a significant offset to the agricultural difficulties occasioned by the drought. Not the least important consideration has been the continuing confidence in Manitoba's future that the new enterprises confirm.

No single year can reasonably be cited as the measure of overall progress in any economy. This is particularly true for a transitional economy wherein many new and extended undertakings are being committed for the first time to cover what will ultimately be a span of several years. In such circumstances, it is as well to judge progress by a brief review of some principal indicators for the years from the inception of new conditions, in comparison with a similar period preceding the new phase.

For Manitoba, we might suggest a comparison of the period 1952-1956 inclusive with the period 1957-1961. This comparison actually comprises two quinquennial census periods.

In the main, it can be said that, for the principal indicators of economic activity, there has been higher growth in the last five years than in the preceding five years in Manitoba. In the period 1957-1961 inclusive, during which time the structural adjustments in the national economy have had their effect on all Provincial experience, Manitoba nonetheless was able to show a 20 percent greater rate of expansion in personal income than for the previous inclusive five year span. In dollar value of retail trade, the rate of expansion for the 1957-1961 period has been higher by more than two thirds as compared to the 1952-1956 period.

The labour force has grown by more than six percent in the period since 1957 whereas in the preceding period from 1952-1956 inclusive, the work force increased by less than one half of one percent. Employment, while unfortunately not keeping pace with the growth in the labour force, nonetheless expanded between 1957 and 1961 at more than 2-1/2 times the rate of growth realized between 1952 and 1956. Recent indications suggest a levelling out in the numbers entering the labour force as younger people stay longer at their studies in training for the more exacting demands of a modern economy. The steps now being pressed to bring a better balance between the growth in the number of workers and the expansion of opportunity must, however, be judged against the increase in the work force over the past few years. Too often, the fact that jobs have also increased substantially is minimized by this growth in the labour force itself.

In the country as a whole, during 1961, employment reached new highs -- totals for every month were above corresponding 1960 levels. From the end of July, there were consistently fewer unemployed than for the previous year as the totals for job-seekers were substantially reduced both in absolute numbers and in relation to the total labour force. On the average, some six million workers held jobs last year in Canada, for the best on-the-job record in the nation's history. However, while the later trends have reduced the percentage of the labour force idle from the peaks of last winter, the job-seekers still averaged 7.2 percent of the total for Canadian workers during 1961. We are still faced with a serious need to absorb new and displaced workers into new employment. Of course I would like to interject here that the experience of the last three months is certainly of some reassurance in that particular respect.

In Manitoba, the employment picture was complicated by agricultural problems, but nonetheless we estimate that our total work force averaged some 334,000 persons in 1961 of whom 95 percent on the average were employed throughout the year. Our position relative to the Prairie Region was satisfactory and it was also considerably better than for most other regions in Canada during 1961. On the average, some 4,000 more persons were at work during last year than in 1960 but the basic task of finding the necessary new job opportunities to absorb all the growing work force remains with us.

In the period 1958-59 through 1962-63 inclusive, the Provincial Government and its utilities and other agencies will have made capital expenditures on both current and capital

VARIOUS ECONOMIC INDICATORS OF MANITOBA'S DEVELOPMENT

(Millions of Dollars)

Year	Personal Income	Percent Change	Labour Income	Percent Change	Retail Sales	Percent Change	Sales of Life Insurance	Percent Change	Cheques Cashed in Clearing Houses	Percent Change
1950	755	+ 4.1	437	+ 6.6	606.3	+ 9.0	65.6	- 4.8	9,114	+ 6.9
1951	881	+ 16.7	499	+ 14.2	609.9	+ 0.6	79.2	+ 20.7	10,551	+ 15.8
1952	934	+ 6.0	551	+ 10.4	651.3	+ 6.8	86.7	+ 9.5	11,690	+ 10.8
1953	943	+ 1.0	600	+ 8.9	677.2	+ 4.0	96.2	+ 11.0	12,259	+ 4.9
1954	927	- 1.7	604	+ 0.7	637.0	+ 5.9	100.2	+ 4.4	11,602	- 5.4
1955	999	+ 7.8	635	+ 5.1	669.3	+ 5.1	113.7	+ 13.2	11,486	- 1.0
1956	1,126	+ 12.7	700	+ 10.2	700.1	+ 4.6	141.5	+ 24.5	13,971	+ 21.6
1957	1,132	+ 0.5	738	+ 5.4	725.8	+ 3.7	174.1	+ 23.0	13,641	- 2.4
1958	1,264	+ 11.7	771	+ 4.5	753.6	+ 3.8	188.3	+ 8.2	15,861	+ 16.3
1959	1,339	+ 5.9	837	+ 8.6	812.9	+ 7.9	191.4	+ 1.6	17,157	+ 8.2
1960	1,372	+ 2.4	865	+ 3.3	842.5	+ 3.6	197.5	+ 3.2	19,080	+ 11.2
1961*	1,413	+ 3.0	889	+ 2.8	818.2	- 2.9	187.8	- 4.9	21,131	+ 10.7

* Estimated or Preliminary

Source: Department of Industry and Commerce.

MANITOBA AGRICULTURAL PRODUCTION, 1950-1961

<u>Year</u>	<u>Aggregate Production</u> (\$000)	<u>Net Production*</u>	
		Total (\$000)	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	252,589	5,155
1957	259,719	238,416	4,866
1958	322,694	266,359	5,436
1959	323,247	263,506	5,378
1960	315,300	256,024	5,447
1961**	262,969	202,120	4,344

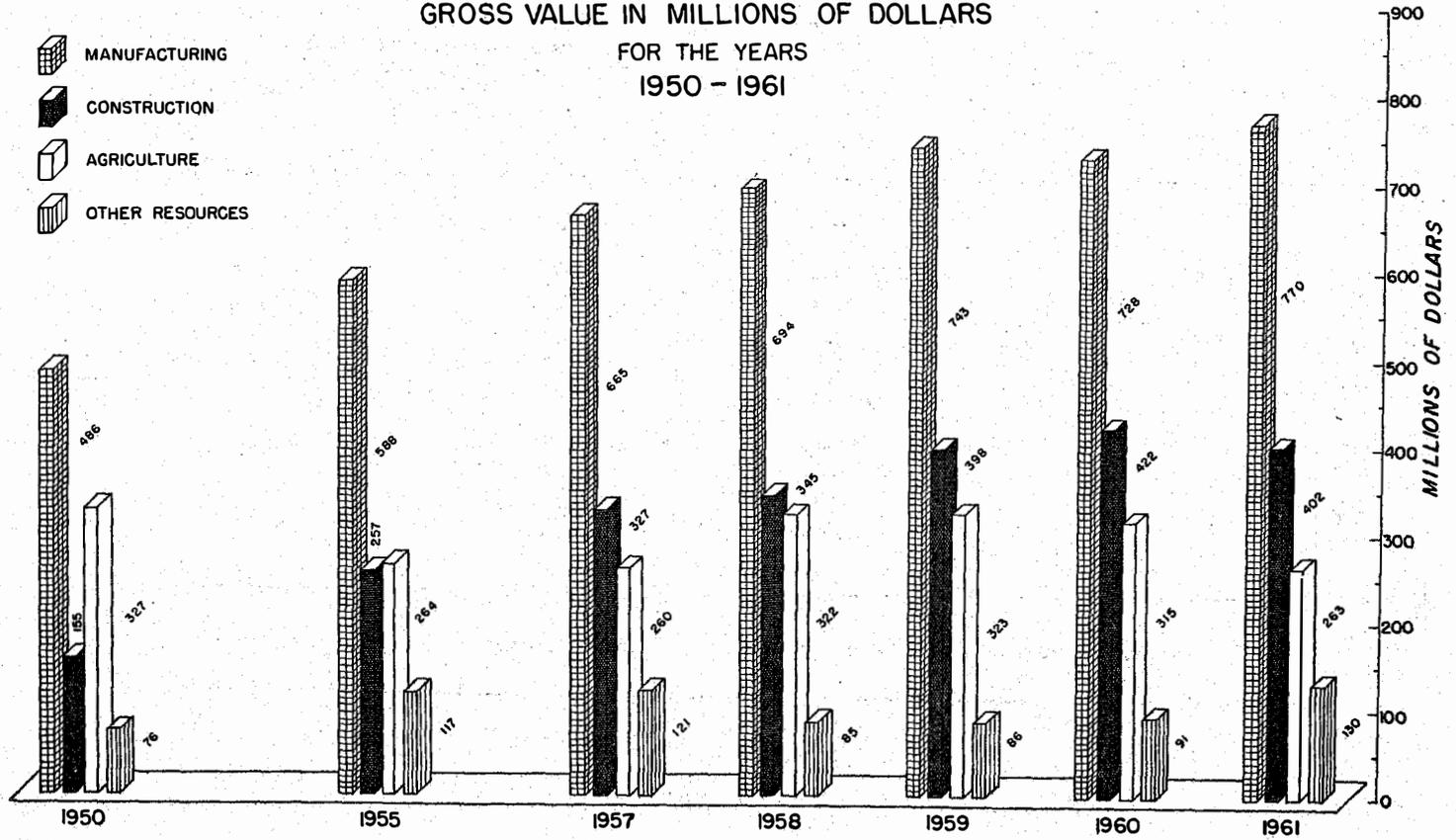
* Allowance made for seed and feed grain used on the farm.

** Estimated.

Source: Department of Agriculture.

MANITOBA'S PROVINCIAL OUTPUT GROSS VALUE IN MILLIONS OF DOLLARS FOR THE YEARS 1950 - 1961

- MANUFACTURING
- CONSTRUCTION
- AGRICULTURE
- OTHER RESOURCES



MANITOBA'S PROVINCIAL OUTPUT

GROSS VALUE

(Millions of Dollars)

Year	Manufacturing	Construction	Agriculture	Other Resources	Total
1950	486	155	327	76	1,044
1951	551	183	351	80	1,165
1952	574	199	364	78	1,215
1953	585	246	284	73	1,188
1954	571	241	250	84	1,146
1955	588	257	264	117	1,226
1956	647	304	312	118	1,381
1957	665	327	260	121	1,373
1958	694	345	322	85	1,446
1959	743	398	323	86	1,550
1960	728	422	315	91	1,556
1961*	770	402	263	130	1,565

* Estimated

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

(Mr. Roblin, cont'd.) account totalling more than \$500 million. These investments in the capacity of the community to support employment-creating activities have touched every important public sector of the provincial economy. They include commitments for power and communications alone of nearly a quarter of a billion dollars. Another \$170 million commitment for roads is included in the half billion dollar total. More than \$24 million of the total has been advanced through the efforts of the Manitoba Development Fund and the Agricultural Credit Corporation. We have contributed to winter works programmes which have provided jobs for more than 10,500 men in aggregate since 1958 or an average of better than 2,500 jobs each year during the critical off-season. We have, in addition, guaranteed \$33 million investment in school, hospital and University development since 1958. And I pause to interject that a recital of those figures gives some indication of the effect of the capital investments of the Province of Manitoba on the employment picture and on the provision of thousands of jobs in the creative employment of this \$500 million investment.

The Committee on Manitoba's Economic Future and the Trade Mission to the European Common Market area will provide the necessary information upon which to base further progress. All of these commitments must be recognized as taking place in a wider range of economic activity than that originating in Manitoba alone. The problems of employment are at the very least national in scope and in turn must be considered in those wider contexts when we look for ultimate solutions to problems in this area.

We must also think in terms of usefulness rather than only in terms of employment. We must make our main effort in sectors where markets for our products can most reasonably be anticipated. We must develop our skills in areas where the needs for their application are most likely to continue and to grow. In particular, we must emphasize the mobility of both labour and capital in this period of change.

There have been many important advances in agriculture over the past five years and more. Diversification has increased the opportunities and capacities of the farming community. New products have been developed and marketed and new markets have been found for established products. However, there has also been much expansion in costs and other burdens for the farmers. The result has been that the farming economy has not reflected the same degree of progressive strength developed in the over-all economy. The problem is not one to be solved easily or in a short time nor can it be resolved by domestic efforts alone. We recognize the urgency of the need to find means to provide better prospects for the future of agriculture.

This is a challenge receiving the most intensive attention by both the Provincial Government and, I may say, the Government of Canada. Since 1958-59 and including 1962-63, the Province has made commitments on both current and capital account of more than \$51 million in direct support of agriculture and conservation activities, including substantial research expenditures and assistance to the related university programmes. In the period 1957-58 through 1962-63 the Federal Government will have committed a share estimated at \$6 million in contributions to these agricultural programmes in Manitoba alone. In addition, many millions of dollars have been provided from the federal treasury in price support and market stabilization programmes.

There were other trends that were not progressive within the 1952-1961 period. Other factors, such as unemployment, showed weaknesses in our economic posture that can not and should not be lost sight of. We have much more ground to cover in respect of resource development. We need far more secondary industry and more labour absorption in all aspects of our economic growth.

We can conclude, however, that, in a period of greatly increased competition from abroad, and in the face of extensive technological adjustment in the Canadian economy, the economy of this Province has grown in strength, in depth of activity and in flexibility.

We cannot overlook the fact that, in 1960, and continuing into 1961, there was a falling off in new capital investment in private enterprise in Canada -- and in Manitoba. The massive stimulus of public capital investment in which Manitoba has shared is not in itself enough to offset hesitancy in the private sector. Last year, the Dominion Bureau of Statistics estimated new investment in the Province from combined public and private sources at \$422 million. While the outlook is for some improvement in 1962, we still seek that rate of development in the

(Mr. Roblin, cont'd.) . . . private sector that growth in Manitoba requires.

New trading patterns are developing which will inevitably affect the agricultural, extractive and manufacturing industries in Manitoba. We believe that wider and freer trading arrangements are in the interest of the people of Manitoba. In our efforts to enhance the development of the provincial economy, we must give full recognition to these trends.

These conceptions underly our decision to sponsor a trade mission to Europe. They motivate the work of the Committee on Manitoba's Economic Future. They are the basis for our continued public investment in all of the physical and human resources that give strength to our Province and its economy.

We intend to provide new, and we believe more productive, support to the renewal of our urban communities in respect of public housing for low income families -- some \$1.1 million has been included in capital supply for this purpose. By providing authority to assist the municipalities in the provision of adequate low income housing, we hope to assist and encourage local governments to come to grips with the pressing needs for the re-location and rehabilitation of housing for their citizens.

As evidence of our continuing confidence in the future of agriculture in Manitoba, we will be providing in the year ahead over \$1 million in support of specific research projects and facilities at the University. We have invested \$14.5 million in the future prosperity of over 1,300 farmers through loans extended by the Agricultural Credit Corporation. To find the means with which to attack the problems of the continuing cost-price squeeze on our farms, we have been instrumental in establishing support for a national Agricultural Economic Research Council.

Last summer's drought dramatized the value of our crop insurance policy. The insurance programme substantially reduced the immediate impact of drought losses in the five test areas with payment of \$1.6 million in indemnified claims last summer. Some \$6.7 million of insurance coverage was provided for more than 3,600 farmers of whom more than 2,000 benefitted directly from the insurance reimbursement of losses.

We have continued the organization of water supply and control in Manitoba. The \$1.5 million Seine diversion scheme was completed in 1961, and we provided some \$600,000 in support of regional and local water control works and drainage projects which in total aggregated about \$1 million in 1961-62. Two more communities have been added to those served by projects completed by the Manitoba Water Supply Board. The Pembina Watershed is receiving priority attention and some \$71,500 has been set aside for study of the best future development alternatives for this area. The Honourable Members will have had much of this information in more detail. I wish to cite these things as part of our Provincial effort to sustain the momentum of our economy and our preparedness for the future.

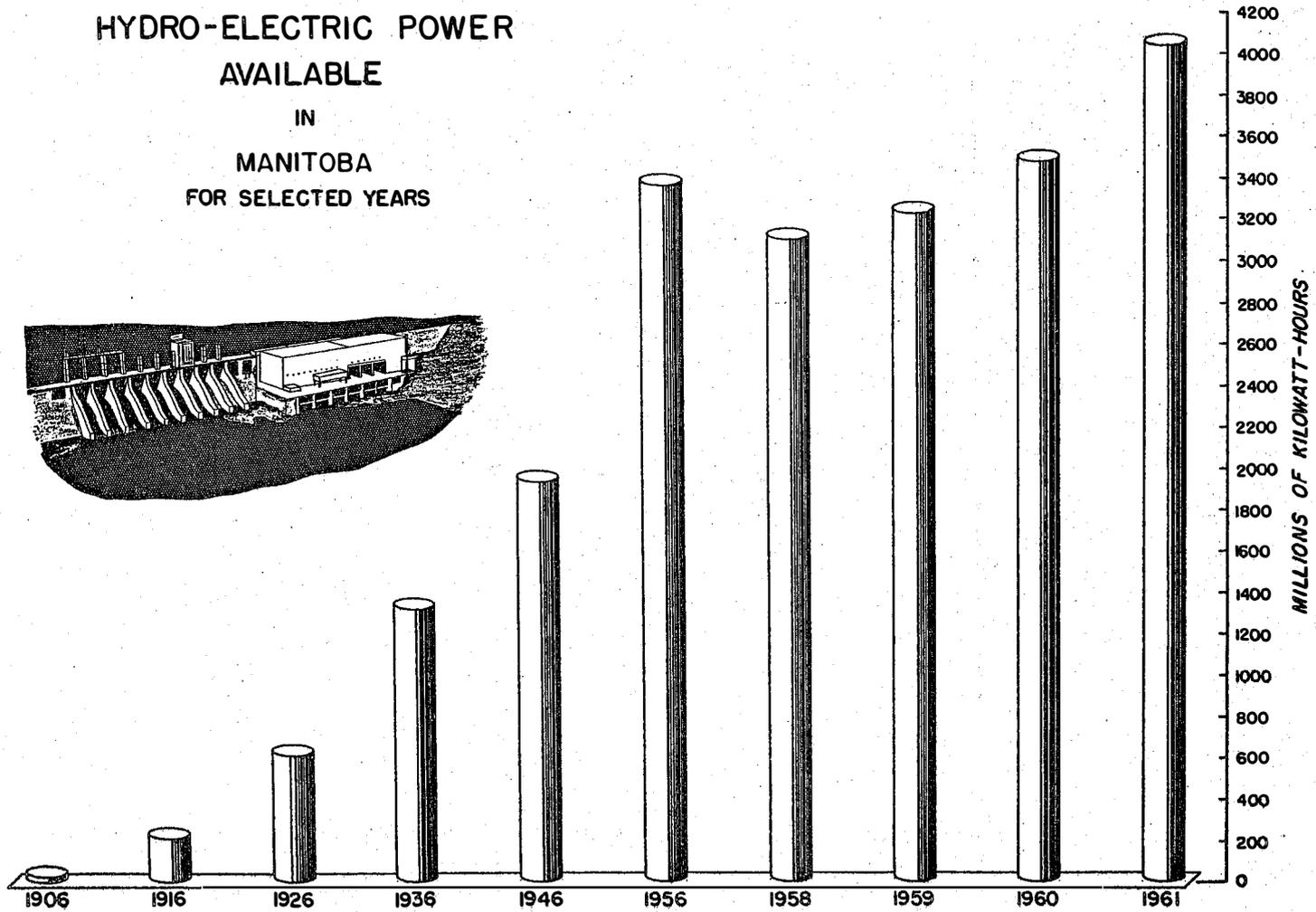
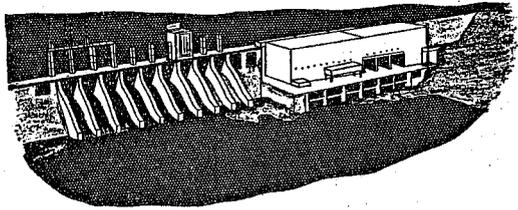
We have done our best to enable the municipalities to take advantage of the opportunities offered through winter works projects to establish new and improved local facilities while reducing localized seasonal employment slack. By extending both the categories of approved projects and the terms of support, the joint Federal and Provincial effort has materially strengthened the municipal self-help undertakings to minimize unemployment.

Our basic commitment to provide the highways we need has been maintained throughout the past year when more than \$21 million was invested in the highway programme. An estimated \$9.4 million was given to support of municipal roads and to maintenance of highways. In the coming year, our road construction programme will receive additional investment of \$23.7 million gross or over \$22 million net Provincial expenditure with nearly \$10 million additional support for municipal roads and maintenance activity.

The measure of our need for a good road system is shown in part from the statistics of growth in the use of our public thoroughfares. For example, motor vehicle registrations have risen from 271,000 in 1958, to nearly 320,000 in the last year. Trucking licence revenues rose to \$1.6 million in 1961 -- up \$500,000 from 1958 -- while the numbers of licenced commercial vehicles rose from less than 4,200 to over 5,000.

Some \$2.8 million was invested last year either in new public buildings and facilities or in renovation of existing accommodation for education, reform and rehabilitation, health, recreation and other public services. In the coming year, we expect to expend about \$6 million for construction, repair and renovation of public accommodation in order to maintain the efficiency of services throughout the Province.

HYDRO-ELECTRIC POWER AVAILABLE IN MANITOBA FOR SELECTED YEARS



HYDRO-ELECTRIC POWER AVAILABLE
IN MANITOBA FOR SELECTED YEARS

Year	Kilowatt-Hours (Thousands)	Average Net Value (Thousands of Dollars)
1906	10,936	-
1916	210,840	2,108
1926	616,551	3,823
1936	1,320,019	6,072
1946	1,939,405	12,606
1956	3,369,836	28,307
1957	3,373,973	29,016
1958	3,104,264	26,697
1959*	3,237,431	31,097
1960*	3,480,965	35,425
1961*	4,044,479	38,000

* Source: Manitoba Hydro-Electric Board. Previous years' data from Department of Mines & Natural Resources. Figures for 1959 and subsequent years have been revised to accord with updated statistical series of hydro-power availability.

(Mr. Roblin, cont'd.)

Previous investment in power facilities inter-connecting with neighbouring Provinces again returned full value as low water levels were registered last summer. We realized a saving of \$1 million last year alone. The provision of new generating facilities in the north continued at full pace and we realized another 16 percent increase in total quantity and seven percent increase in value for firm energy made available for Manitoba industry and homes. Some 7,600 new customers were served by Manitoba Hydro facilities last year and the growth in consumption continues unabated. The total contribution of hydro-electric power to the provincial economy is now valued at about \$38 million annually.

Honourable Members who have seen the issue of the Financial Post of March 24, 1962, will perhaps have noted with interest, and I think with some satisfaction, the table relating costs of power provided to residential users including farms. Manitoba's cost, at 1.15¢ per kilowatt hour, is the lowest in Canada, being 0.19¢ below Ontario which is the next lowest and 0.46¢ below the Canadian average. This is a tremendous advantage to our people and a tribute to the efficiency of our power system and that of the City of Winnipeg. I do not think that people in Manitoba are always fully aware of the advantages they enjoy in respect to economical power. I have pleasure in acknowledging the part played by my predecessor, the Honourable Member for Lakeside, in this development.

In 1961, 16,000 new 'phones were placed in service by the Manitoba Telephone System. We are approaching the 300,000 mark for in-service telephones as traffic continues to rise. The \$16 million capital investment in new telephone equipment and plant in 1961 is a measure of our need for the most up-to-date and efficient communications. We consider that our programmes for constant improvement and expansion of these facilities are obligations essential to our progress. We believe the establishment of the Manitoba Telephone System Board, which has been approved this year, will improve the efficiency and economy of the system.

Some measure of the return for our investments in new communications, power, and highway facilities as aids in development can be seen in the 1961 production value for natural resources -- \$130 million as compared to \$90.6 million in 1960. Mineral production values alone increased by over \$40 million from 1960 levels as the Thompson and Chisel Lake activity expanded.

The purposes of these investments in the public sector are to provide the necessary services demanded by our community and to maintain the conditions and bases for private enterprise to grow and prosper. The Government is determined to encourage, to stimulate and to contribute to sustained progress in creation of employment opportunities. Manitoba's Committee on the Economic Future is focussing the search on economic prospects most likely to serve our needs, but every individual and every group throughout the economic community must share in this effort. We must all play our full parts if the future success of the Provincial endeavour is to be secured. Our commitments to expanding programmes for power, communications, roads, health, sanitation, welfare, education and the vast complex of municipal services supported by the Government are all part of this effort.

Some measure of our achievements in these endeavours to date will be found in the report supplemental to this Budget Statement. However, before turning to the analysis of the financial programmes and policies by which we intend to sustain and expand our drive for development in Manitoba, I wish briefly to summarize the high points of the departmental programmes that have been adopted for the coming year. These form the latest instalment in our investment in progress.

In the field of fundamental human resource development, the combined programmes for education, health and welfare will receive a total of \$77.7 million supporting current and capital commitment over the coming fiscal year -- 1962-63.

In education, total current and capital expenditures of over \$38 million have been programmed -- approximately a third of the total budgetary revenues of the Government forecast for the year ahead. We consider that this investment in the future progress of our young citizens is among the most productive and most necessary commitments within our responsibility.

Three full years of operation of the division plan have demonstrated the new opportunities made available through this form of organization and through the additional financial assistance provided by the Province. Sorely needed school accommodation has been provided;

MANITOBA'S PRIMARY RESOURCE OUTPUT

PRODUCTION VALUE

(Thousands of Dollars)

	1958	1959	1960	1961*
Agriculture	322,694	323,247	315,300	262,969
Minerals	57,066	55,507	58,703	99,178
Forest Products	17,000	19,000	20,000	20,000
Furs	5,366	5,059	5,439	4,637
Fisheries	5,935	6,254	6,507	5,905
Resource Output	408,061	409,067	405,949	392,689

* Preliminary figures.

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

(Mr. Roblin, cont'd.) . . . enrolments, particularly at the high school level, have shown marked increases; desirable and necessary educational services have been planned and provided by educational authorities at the local level which would otherwise not have been possible. In short, there has been, over the past three years, a rekindling of interest on the part of Manitobans and their elected local officials which will have far-reaching beneficial effects upon our young people themselves and on the economic, social and cultural development of our Province.

I am pleased to note that our plan for sending teachers to Ceylon is now in operation, with the Provincial Government paying the basic salary of the teachers and peripheral expenses being paid by the Government of Canada. In addition, at the request of the Federal Government, we have recruited and sent teachers to Kuala Lumpur, Malaya, to assist the Malayan Government in training Industrial Arts teachers. The total cost will be recovered from the Government of Canada. This is a worthwhile contribution to world development and goodwill among the nations.

Additional school grants in 1962-63 will expand programmes over the 1961-62 year by \$2.3 million. We will increase by over \$400,000 the University of Manitoba general grants. We have added close to \$4,000,000 in vocational education commitments and total Provincial expenditures on vocational education will be almost \$6,000,000 with provision for much of the new commitment to be recovered from the Government of Canada.

The new \$5,000,000 Manitoba Institute of Technology, situated in Brooklands, is being built on schedule and it is anticipated that construction will be completed by March 31, 1963, with the first classes entering the institution not later than September of that year.

Since the fiscal year 1958-59, school grants have almost doubled. The University of Manitoba general grants have been increased to a level some 2-1/4 times the 1958-59 commitment. Our annual expenditures on vocational education are now 6-1/2 times what they were four years ago. This last is most significant in the light of the special requirements posed by the increasingly specialized nature of our economy which underlies much of our present unemployment. We refer the Honourable Members to the supplement for a more detailed review of our progress in education. We are certain that there is no more important single programme in our entire Provincial investment undertaking.

We have provided for expansion in 1962-63 in services under the Health Department, as well, in our over-all commitment on current account of \$20.4 million in support for hospitals, medical and nursing training, health units, hospital and medical care and for all the many other aspects of the health programme. This represents, in aggregate, some 67.8 percent or \$8.3 million greater health investment than for 1961-62, with the increase supported in large part by the Hospital Tax revenue.

The Government has given approval to some 25 construction projects involving general and extended treatment hospitals for the mentally-ill and other public health facilities. Most of these projects will extend beyond the 1962-63 period. The ultimate cost of the 25 projects is estimated to be nearly \$9 million. Aside from providing facilities for the care and treatment of Manitoba residents, this programme also means employment for thousands of construction workers and additional jobs for Manitobans in the operation of the expanded facilities once they have been built.

In the welfare field we have provided for a commitment of \$16.2 million in 1962-63 on current account for social allowances, medicare, care of the aged and disabled, special aid for Metis and Indian citizens, and all of the other aspects of this comprehensive foundation programme respecting human resources in the Province. This is an investment of an additional \$3 million over the 1961-62 commitment and we regard it as good business for we feel that it is fundamental to our economic well-being that we take these steps to prevent individual social dependency from retarding the over-all growth of the community. In the coming year, we will have put in place more housing accommodation for our elderly citizens than in any previous year in Manitoba's history. The programme to promote fitness and participation in amateur sport will benefit many of our young and adult population alike, and the Community Development programmes will expand the emphasis on creating employment opportunities for the Metis and Indians in our Province.

The outlook for 1962 is framed by the forecast of events in Europe and elsewhere beyond the immediate context of the Canadian economy. We believe that there are ample reasons for

(Mr. Roblin, cont'd)confidence for the economic future of our Province and of the nation in spite of obviously wide-ranging changes that must occur in our own economic environment as a result of these wider influences.

Provincial-Municipal Co-operation

Of fundamental importance in the programme of this Government is the sustained and increasing assistance to the progressive development of our municipalities. Again in 1961-62, to the full extent of its ability, the Provincial Government has continued to aid local governments in financing their essential projects. In reviewing this co-operative effort we note that the aggregate financial capacities of our local communities have continued to reflect increased strength. In 1961, taxable assessments reached beyond \$1,100 million. These tax resources are increasing at a pace which has doubled the total assessment value in the past ten years.

Despite these facts, there is increased concern in some quarters as to the burden of municipal taxation. Costs rising out of urbanization, shifting and growing populations and higher standards of services must be met. All these factors compound our difficulties, although it is not our problem alone. It is a significant feature of modern development. In fact, comparisons of per capita costs of local government will show that we in Manitoba are better off than most, and I include herewith part of a table from the Dominion Bureau of Statistics, being the Estimated Gross Current Expenditure Per Capita of Municipal Government for Selected Provinces in 1961.

And in the provinces compared we find that Ontario has a per capita gross current expenditure for municipal government of \$136.00; Alberta is a little less at \$129.92; Saskatchewan is less again at \$118.50; and Manitoba has the lowest gross current expenditure per capita for municipal government in this area, being \$104.94. So in spite of our troubles, we are still considerably better off in this table than our neighbouring provinces.

Estimated Gross Current Expenditure Per Capita of Municipal Government For
Selected Provinces - 1961

Ontario	\$ 136.00
Alberta	\$ 129.92
Saskatchewan	\$ 118.50
Manitoba	\$ 104.94

Source: Dominion Bureau of Statistics, Financial Statistics of Municipal Government.

In spite of increased Provincial aid and the assumption of responsibilities by the Province that have traditionally been municipal, the problem of local cost continues to exist and we cannot be satisfied while it remains. It is a problem that must have our continuing concern and increasing study now and in the future. It is in this connection that we await with interest the findings of the Municipal Enquiry Commission. It is to be hoped that it will bring forward some useful ideas leading toward the ultimate solution of the problem.

The latest statistics -- those for 1961 -- show that the cost of local government to the municipal taxpayer in Manitoba, including local education levies, is now about \$75 million a year. This figure does not include the nearly \$60 million in Provincial aid, both direct and indirect, made available in 1961 in support of local development. This Provincial aid represented an amount equal to 80 percent of the contribution by local taxpayers for their government and continues to account for more than one half of every dollar of Provincial revenue.

The importance that we attach to municipal support is borne out by the substantial contributions to local undertakings that have been made since this Government took office. Expanded aid will continue in 1962-63, taking the many forms of direct and indirect support necessary to sound local progress.

Education will receive more than \$28 million grant support from the Provincial Government. In 1958-59 such support amounted to \$14.8 million. Many local programmes including drainage and conservation projects, local road work and welfare programmes have all received greater support both from Provincial programmes directly and through Provincial-Municipal co-operation under which the Province has assumed an increasingly greater share of the many co-operative undertakings in the field of health and social aid.

(Mr. Roblin, cont'.d)

In combination, programmes of direct and indirect Provincial current and capital assistance to municipal development are approaching \$70 million per annum. Since 1958-59, this aid has increased by over \$25 million -- an average increment of \$6.2 million annually. We shall, in the future, continue building upon this solid foundation of co-operative and practical effort.

Dominion-Provincial Relations

The new fiscal arrangements and the collection agreement which have occupied so much of our energies in negotiation over the past two years or more are now in effect. The provincial personal and corporation income taxes, authorized by the Legislature at the Special Session of last autumn, are now being collected on our behalf by the Department of National Revenue of the Government of Canada, without cost to the Province.

As these matters were discussed at considerable length at the Special Session, I shall not pursue these aspects further now. I need only add that the new fiscal arrangements appear to be working out in a relatively satisfactory manner. This is particularly so in comparison with what the situation would have been had we continued under the original terms of the 1957 Agreement concluded between the St. Laurent and Campbell Governments. If those arrangements had been continued, we would be receiving only \$38,958,000 for 1962-63 as against the \$43,401,000 that we anticipate. This represents a gain of \$4.4 million.

I would also draw the attention of the Honourable Members to the data pertaining to conditional grants in the table dealing with receipts by Manitoba under other Dominion-Provincial financial arrangements. The very large growth in the financial co-operation received from Canada over the last few years is clearly indicated. While a substantial part of the increase was in respect of hospital insurance, the general improvement in these conditional grants to Manitoba is evident throughout. Shared cost and conditional grant contributions from Canada have risen from \$7,982,000 in 1957-58 to \$38,295,000 in 1962-63 -- an increase of over 380 percent or by very nearly four times in five years.

.....Continued on next page.

MANITOBA'S REVENUE UNDER DOMINION-PROVINCIAL FINANCIAL ARRANGEMENTS*
FISCAL YEARS 1957-58 TO 1962-63
(Thousands of Dollars)

	1957-58	1958-59	1959-60	1960-61	Revised Estimate 1961-62	Preliminary Estimate 1962-63	Percentage Change 1962-63 Over 1957-58
<u>STATUTORY AND TAX-SHARING REVENUE:</u>							
Statutory Subsidy	2,032	2,032	2,065	2,054	2,054	2,054 (2)	
Tax-Sharing Arrangement	32,350	33,202	39,427	40,078	40,452	50,641	
50% Share of Income Tax on Power Utilities	61	46	53	27	25	25	
	<u>34,443</u>	<u>35,280</u>	<u>41,545</u>	<u>42,159</u>	<u>42,531</u>	<u>52,720</u>	+ 53.0
<u>COST-SHARING CONTRIBUTIONS:</u>							
Agriculture and Conservation	32	95	482	361	1,491	3,775	
Health	2,179	2,165	2,784	2,886	3,189	3,488	
Hospital Services (1)	-	4,734	11,241	13,125	14,600	17,300	
Welfare	2,588	3,550	5,079	5,850	6,740	7,806	
Vocational Training, etc.	321	347	465	613	884	953	
Highways and Transportation	2,727	2,791	2,386	2,710	2,688	1,330	
Natural Resources	111	223	407	457	277	309	
Civil Defence	24	61	75	123	154	257	
New Institute of Technology	-	-	-	-	692	3,077	
	<u>7,982</u>	<u>13,966</u>	<u>22,919</u>	<u>26,125</u>	<u>30,715</u>	<u>38,295</u>	+ 379.8
TOTAL RECEIVED FROM GOVERNMENT OF CANADA	42,425	49,246	64,464	68,284	73,246	91,015	+ 114.5

* Not included in the tabulation are amounts paid to municipalities in lieu of taxes on Dominion property, and amounts paid as university grants.

(1) Shown for calendar year ending nearest March 31 of fiscal year indicated. The 1958 amount is for the six months in which the Manitoba Hospital Services Plan operated during that year.

(2) Individual Income Tax \$ 20,609,000
Corporation Income Tax 16,195,000
Succession Duties 1,886,000
Equalization & Guarantee 11,951,000
\$ 50,641,000

Individual Income Tax and Corporation Income Tax estimates include Manitoba Hospital Services' Tax

FINANCIAL REVIEW

It has been basic in the philosophy of this Government that one of its principal purposes is to provide the economic and social climate in which the private enterprise system can flourish for the greatest good of the greatest number.

This concept has guided our activities from the beginning and we are continuing our programme of developing and improving governmental services and facilities with this end in view. The results speak for themselves and the people of Manitoba can judge the merits of the changes effected in the life and economy of this province.

Public Debt

I pointed out in my address last year that while our capital investment had increased this was a deliberate policy based on our assessment of our needs -- needs that were neglected over many years when money could have been obtained at a much lower cost. It is my view that this policy has been fully justified by the progress of our development and that the capital investment of the Government in the economy of Manitoba will provide a return, direct and indirect, to offset -- and much more -- any costs that may be incurred.

The ability of the Province to meet its commitments does not need to depend on my judgement alone. That the money markets of this country reflect this judgement is shown by the high regard in which Manitoba securities are held. Our issues are consistently over-subscribed and, once marketed, tend to be closely held. Our costs compare favourably with other similar jurisdictions in Canada. For example, on March 15th, 20 year 5 1/2 percent Manitoba Bonds were bid at 101.50; Quebec Hydro's were bid at the same price; and Ontario's were bid at 102, while Nova Scotia's and Saskatchewan's were bid at 100.50.

It has been amply demonstrated in the past that you must sow in order to reap -- that Governments must spend to provide the economic climate for industrial, agricultural, and social development. Our guiding principle has been and will be that based upon the net return from our investment. The economic justification of borrowing is in the end results.

In the light of results, it is a matter of considerable satisfaction to us that we have been able to sustain our capital investment in the Province's future. This satisfaction is particularly warranted when we consider that the alternatives are stagnation or a burden of taxation which could seriously retard economic growth in Manitoba. And here in this statement, Sir, I include a comparison of the Public Debt for the last three years, as is customary, and members will be able to read this table for themselves.

Comparison of Public Debt

	<u>March 31, 1960</u>	<u>March 31, 1961</u>	<u>December 31, 1961</u>
Debentures	\$ 253,672,000	\$ 298,892,000	\$ 276,717,000
Savings Bonds	-	-	39,218,400
Treasury Bills	<u>64,960,502</u>	<u>54,111,543</u>	<u>59,338,472</u>
	\$ 318,632,502	\$ 353,003,543	\$ 375,273,872
<u>Less: Gross Debt for Self-Sustaining Purposes</u>	<u>\$ 216,092,457</u>	<u>217,436,929</u>	<u>207,969,763</u>
	\$ 102,540,045	135,566,614	167,304,109
<u>Less: Sinking Funds & Other Funds held for General Debt Retirement</u>	<u>10,498,143</u>	<u>11,794,766</u>	<u>13,193,228</u>
	<u>\$ 92,041,902</u>	<u>\$ 123,771,848</u>	<u>\$ 154,110,881</u>

Judgements of the acceptable levels of public liabilities cannot be made in absolute terms but rather they must be based on the ability to carry the costs of interest and the amortization of discounts. In the next fiscal year these costs will amount to only 3.6 percent of the total current revenue of the Province of Manitoba and, as such, I suggest are eminently within our ability to carry.

(Mr. Roblin, cont'd.)

Furthermore, while in respect of the situation in 1945 it would have taken over 2 1/2 years to retire the outstanding net debt from annual current revenue, in 1961 this could have been accomplished in less than 1 1/4 years.

A reduction of about \$18 million has occurred in our direct utility investment in the past year. This is the result of the utilities having assumed direct responsibility for new borrowing and the repayment of outstanding loans as they fall due. Roads and bridges are up about \$24 million -- the extent of our yearly programme -- while buildings, drainage and water projects and other public works are up some \$6.5 million. Grants and advances to the credit corporations are increased by about \$4 million. These facts confirm the productive nature of the purposes for which our investments have been made.

Debt Transactions

The increased stability of the Canadian bond market in the past year has been most welcome and has contributed much to the orderliness of financial transactions. At present the market is showing strength and while interest rates are still relatively high there appears to be a good reception available to credit-worthy borrowers. I am also happy to note a considerable improvement in the market for municipals although important problems remain in respect to issues of the smaller and less well-known jurisdictions.

Manitoba in 1961-62 confined its public offerings largely to utility financing, the direct demands of the Province having been met through the very successful issue of Savings Bonds. For the first time the Manitoba Telephone System issued bonds under its own name with a Provincial guarantee. This issue received an immediate acceptance on the market and has been regarded 'on the street' as one of the most successful financing operations of the year.

Honourable Members will recall that I referred to the Manitoba Savings Bond issue of 1961 in my Budget Speech last year. This was an overwhelming success, bringing in over \$40,800,000 in a very short time. This year, with a strong market prevailing, we cut the rate from 5 percent to 4 3/4 percent. We fully appreciated that this, along with the more limited supply of accumulated savings available for investment, would reduce the demand, but as our requirements were substantially less at this time, this lower volume of demand was quite adequate. The 1962 issue was closed on April 4th, with a total subscription in excess of \$20 million.

Manitoba, concurrently with Saskatchewan, pioneered a further venture in the field of Provincial finance. On February 5th, 1962, the Province offered, through two selected dealers in the money market, \$1 million of Manitoba 91 day Treasury Bills. These are being issued regularly each week and when fully marketed after thirteen weeks will provide a floating fund of \$13 million at relatively attractive rates of interest. The bills have been issued at between 3.10 percent and 3.37 percent as against a long term market rate of from 5.30 percent to 5.50 percent in the same period. The venture has been a satisfactory one and an effective secondary market in these bills is gradually being established.

Sinking Fund and Debt Retirement

An examination of the moneys available for servicing the public debt will show that very substantial sums are being set aside each year for debt repayment. For 1962-63, we have as a statutory charge \$6,349,736 to be provided for the sinking fund to offset debt outstanding. Of this total, \$1,044,379 is attributable to debt incurred on behalf of the Manitoba Telephone System, and \$1,571,077 in respect of Manitoba Hydro advances. Both these amounts are recoverable from the respective utilities. The net charge on the Consolidated Fund is \$3,734,280 -- up \$500,373 over last year.

In addition to retirement of debt through sinking fund, there are outstanding serial debt payments of \$1,084,640 provided for in the year.

Sinking funds with respect to dead-weight debt are accumulated on the basis of a minimum of 3 percent of the principal amount outstanding annually on all borrowings over a one year term. These funds are invested in appropriate securities. In the case of utilities, 1 percent of the amount outstanding at the end of the preceding fiscal year for the debt and advances for each utility is set aside annually together with 4 percent of the accumulated sinking funds of the utility.

(Mr. Roblin, cont'd.)

Guarantees

We have continued our policy of restricting our guarantees to those agencies of government where there is a clear distinction in function from that of a normal government department.

Increases have occurred since last year principally in respect of Manitoba Hydro where \$45 million in financing is reflected, and in respect of the University and certain hospitals where the increase is approximately \$7 million.

No additional guarantees have been required for school districts or municipalities -- in fact, there has been a reduction, as a result of maturities. It is encouraging to see the improvement in the local authorities' financial status over the period. And here follows, Mr. Speaker, a chart of the outstanding guarantees of the Province by class of borrower, which members may read.

Statement of Guarantees Outstanding by Class of Borrower

	<u>March 31, 1960</u>	<u>March 31, 1961</u>	<u>December 31, 1961</u>
<u>Guaranteed as to Principal and Interest:</u>			
Manitoba Hydro	\$ 90,150,000	\$ 140,150,000	\$ 160,150,000
Hospitals, University and Others	<u>4,805,400</u>	<u>11,960,886</u>	<u>18,929,802</u>
	<u>\$ 94,955,400</u>	<u>\$ 152,110,886</u>	<u>\$ 179,079,802</u>
<u>Guaranteed as to Interest Only:</u>			
School Districts	\$ 6,436,100	\$ 6,042,802	\$ 5,632,724
Municipalities	<u>3,437,153</u>	<u>3,276,128</u>	<u>3,133,839</u>
	<u>\$ 9,873,253</u>	<u>\$ 9,318,930</u>	<u>\$ 8,766,563</u>
	<u>\$ 104,828,653</u>	<u>\$ 161,429,816</u>	<u>\$ 187,846,365</u>

Local Government Borrowings

I am pleased to be able to report to this House that there has been a continued improvement in the prices and rates of interest for local government borrowings in the past year. This has been most noticeable in the case of the school districts and divisions. Improved information sources and better methods of marketing have proved most valuable. These, along with the trustee agreements and with the whole-hearted assistance of The Municipal Board where necessary, made it possible to sell \$8.9 million of school bonds in the calendar year 1961 at increasingly favourable rates. As an example of the continuing improved conditions, only last month on two occasions, the bonds of school districts have sold at a cost of under 5 1/2 percent on their own credits -- a rate comparable to that available to any local government of equivalent size anywhere in Canada.

Incidentally, Sir, I received a letter the other day from a financial associate of mine in the Province of Ontario pointing out that the best rural Manitoba Municipal school district bonds were selling at a rate as good or better than their equivalent in the Province of Ontario. And when one considers the gap that existed up until quite recently, I think that is a very satisfactory situation.

It is now approximately two years since we adopted the trustee method of school financing. By this method, the school authority voluntarily accepts the placing in trust from its school grants amounts sufficient to meet the debt service charges. This, along with the improved information sources and better marketing procedures, has been a most important influence in rehabilitating the whole credit structure of the school districts and divisions. The method has saved many thousands of dollars in interest costs. So successful has it been that steps are being taken to apply this method to hospital financing where large increases in requirements must be faced in the next few years.

Now, Mr. Speaker, I come to those items of revenue and expenditure that I think will interest members more.

(Mr. Roblin, cont'd.)

Revenue and Expenditure -- 1961-62.

Revenue for the fiscal year just closed was originally estimated at \$105,773,400. Latest indications, before final closing of the books, are that this will be exceeded and that it will total about \$112,600,000. This is an increase of about \$6,800,000. This has largely been due to \$1,500,000 increase in the amount received under the tax agreement; \$2,838,000 increase in surplus carried forward from the previous year; \$350,000 more in gasoline tax and \$100,000 increase in motive-fuel tax; \$1,000,000 in liquor profit; \$163,000 in mining revenue; \$150,000 in motor carrier fees; and a large number of smaller amounts. So it is to be seen that revenues were buoyant. Offsetting the increases were losses of \$107,000 in water power rentals and \$175,000 in forest revenue, in addition to a smaller number of miscellaneous reductions.

On the expenditure side, the main estimates for 1961-62 totalled \$103,856,514. The latest revision is for a total expenditure of \$105,021,000 -- an increase of close to \$1.2 million. This provides a surplus on current account of about \$7,600,000 which, in accordance with the authority in The Treasury Act, will be carried forward into the next fiscal year as a stabilizing measure.

Revenue and Expenditure -- 1962-63.

Revenue

Now, Sir, we come to the current year 1962-63 -- Revenue -- and I think the House will be interested in this fact. No increases in taxation are proposed for the 1962-63 fiscal year. There will be, in fact, some noteworthy tax decreases proposed for both individuals and corporations in line with changes announced in the recent Federal Budget. It is my intention that these should be fully reflected in the Manitoba law.

These changes affect two areas in particular; individuals benefit by an increase of \$50.00 in the allowances for dependent children and corporations benefit by new incentives based on increased sales by manufacturers and processors and on research and exploration allowances.

While we must await the Federal law and regulations, it would appear from preliminary information that insofar as Provincial revenues under Dominion-Provincial fiscal arrangements are concerned, the reduction in Provincial income taxes in 1962-63 of about \$200,000 will be compensated for by an increase in the equalization and stabilization guarantee. And I would like to add, Sir, that the reduction quoted is, of course, for the Provincial share of the tax only and is very much larger when one considers that the Federal share of the tax is the major portion. So there is this reduction in Provincial income taxes which will be compensated insofar as we are concerned by an increase in this equalization and stabilization guarantee.

The corporation tax incentives to manufacturers and processors based on increased sales will, we understand, take the form of tax rebates or remissions. Thus they apply only to the Federal share of corporation income tax. Without specific Provincial action this change has no effect on the tax imposed under the Provincial statute. It will not be possible at the present Session to take any action insofar as the Provincial Act is concerned. However, when details become available, the proposals will receive close study and retroactive adjustments suitable to Manitoba will be recommended. These Provincial tax reductions would amount to between \$300,000 and \$400,000 in a year and this has been taken into account in the estimates of our revenue. And again I say the gross effect when the Federal corporation tax has taken its effect is, of course, much longer.

Similar steps will be taken to provide that the special incentives for research and for oil and gas exploration may apply for purposes of the Provincial tax. I expect that this will amount to further tax reductions of some one hundred thousand dollars.

I wish to make it quite clear, Mr. Speaker, that the above reductions in standard taxes also will be made to apply to the special hospital service taxes. The reductions here will be about \$135,000 in 1962-63, the greater part of which is to the credit of personal incomes.

It is also my intention to place before the Legislature an amendment to The Amusements Act effective June 1, 1962, which will reduce the level of taxation from about 10 percent on

(Mr. Roblin, cont'd.) admissions of \$1.00 or less, to about 5 percent on all admissions. The approximation is used as the tax is levied in the form of a schedule and the exact percentages do not always apply.

Under The Amusements Act as it is at present, all admissions to places of amusement, unless granted specific exemption, are liable to a tax on a price of 61¢ or more. With the great increase in charitable and community-sponsored events and the full impact of television, all of which are free of tax, there has been a corresponding deterioration in the relative position of those commercial amusement enterprises whose admissions are still subject to tax. This applies particularly to the moving-picture theatres.

While I do not consider that full exemption is justified in such cases of commercial entertainment, I believe that a good case has been made for some alleviation of the burden on admissions to such places of entertainment. The aforementioned reduction by 50 percent of the tax in these lower brackets will therefore be recommended.

Our estimate of aggregate current revenue for the fiscal year 1962-63 is \$121,520,300 or an increase of \$15,746,900 over the estimate for the previous year. This, of course, is due in substantial part to the proceeds of the hospital service taxes which will yield about \$7,240,000 in the fiscal year.

There are some substantial increases in existing revenue sources which represent a continuing process of growth in the province and a reflection of the improving levels of economic activity.

These increases are as follows: Gasoline Tax, \$750,000; Motive Fuel Users Tax, \$275,000; Land Titles Fees, \$100,000; Liquor Control, \$904,000; Mining Royalty Tax, \$140,000; other Mining Revenue, \$113,000; Motor Carrier Licences and Fees, \$275,000; and the Canada-Manitoba Unemployment Assistance Agreement, \$500,000.

Only two decreases of importance are to be noted -- \$300,000 in Automobile and Drivers' Licences (1962 being an off year for drivers' licences) and \$125,000 in forest revenue.

Particular reference should be made at this time to the return under the new fiscal arrangements between Canada and Manitoba covering the 1962-67 period. Whereas in 1961-62, the last year of the old agreement, we anticipated a return of about \$39,000,000, we now expect in 1962-63 to receive \$43,401,000 before allowing for special hospital taxes of \$7,240,000. This return is made up of the following: Individual Income Tax, \$14,988,000; Corporation Income Tax, \$14,576,000; and Succession Duties, \$1,886,000. This is a total yield from the standard taxes of \$31,450,000. In addition, we will receive in equalization and guarantee payments, \$11,951,000 -- for a total return of \$43,401,000.

To those who insist that we came away from the lengthy Dominion-Provincial tax negotiations with less than we had previously, these figures should prove informative. At the same time, as the critics consider them, they might give some thought to the table of grants and payments from Canada referred to earlier, the table of which is reproduced herein. The actual figures for the return from the original 1957 agreement, when set beside those for the new arrangement, with both applying to the same fiscal year of 1962-63, will show how much better off we are -- even though we did not attain all that we set out to achieve.

And here follows in this table, Sir, a comparison of the tax yields for the current fiscal year as it would have been under the old agreement; as it is under the new one; and an indication of an increase under the new agreement of \$4,443,000. And what I particularly wish to draw attention to is the item under equalization and stabilization guarantee. To listen to some of the comments that were made about the fiscal arrangements that we recommended to this House not too long ago, one would have come to the conclusion that equalization and stabilization and all those essential factors had disappeared; that we had lost them never to see them again. And yet, lo and behold, here in the tabulation for this year we see that the sum being given to Manitoba under these arrangements is no less than \$11,951,000.

(Mr. Roblin, cont'd.)

	Projection to 1962-63 of Original 1957 Agreement	Estimated 1962-63 Payment Under New 1962 Arrangements
	(Thousands of Dollars)	
1. Individual Income Tax	10,230	14,988
2. Corporation Income Tax	14,576	14,576
3. Succession Duties	<u>1,886</u>	<u>1,886</u>
4. Total Yield of Standard Taxes	26,692	31,450
5. Equalization and Guarantee	<u>12,266</u>	<u>11,951</u>
	<u>38,958</u>	<u>43,401</u>
	Increase <u>4,443</u>	

It should be noted that these figures do not take into account the additional revenue from the Hospital Services Tax nor the increase in the shared cost programmes. And I repeat again, over the last five years the shared cost program contribution from Ottawa has gone up from \$7.9 million to \$38.3 million, an increase getting close to four times during those five years. I also repeat that allowance has been made in these aforesaid figures for the reduction in personal income tax and for the provision of incentives in the field of corporation taxation.

Expenditure

As the expenditure estimates have already been discussed in detail in Committee of the Whole prior to granting of supply, I do not propose to refer to them here in detail. Reference to the accompanying tables and charts will show that despite an increase on current account we are once again able to present a balanced budget even after allowing for the tax reductions previously referred to, and I anticipate a surplus of something over a quarter of a million dollars.

Taxation

Earlier in this Session, I stated that, while the subject of taxation was not perhaps strictly within the purview of the Royal Commission on Banking and Finance under its terms of reference, it was my intention to urge in the Province's submission their consideration of taxation reorganization as a part of the necessary solution to the many financial problems facing the economic regions in Canada.

There has developed quite recently an increasingly vocal reaction to our tax system as a whole. Attention has been directed in particular to the income tax -- both personal and corporation. Although there have been no fundamental changes in either tax in recent years, the increasingly competitive nature of trade -- international trade -- has brought home to us the need for some careful re-examination of the whole structure of taxation. And I may say that this matter takes on particular significance with the return of the Provinces to the direct use of tax fields which in large part they had vacated under the tax-rental agreements. Co-operation and the co-ordination of government activities in this area of fiscal policy and practices assume increased importance in the new circumstances.

Canada is facing an increasingly competitive world. To be successful, we must be as efficient in our trading methods and as low in our costs as our competitors. Incentive plays an important part in producing efficiency and it is my view that we have neglected to pay sufficient attention to the real need for incentive in the development of our taxation system.

Therefore, I am very much in favour of the objectives of the extended and newly established incentives to business announced in the Federal Budget for 1962. The Minister of Finance for Canada has given substantial support to the concept that business growth can and should be stimulated through the practical means of fiscal policy. And let me say again that the whole purpose of this desire of business growth is because of the employment opportunities for the productive use of the people of Canada that is attached to it. The final effects of these measures are undetermined and we continue to regard it as a matter of paramount importance that there should be a full and continuing study of the whole fiscal system of the country. This should extend not only to the form of taxation but to the questions concerning

(Mr. Roblin, cont'd.) . . . their effect and application and by whom they are best collected and applied.

I have, however, one word of warning lest our enthusiasms swing the pendulum too far in the opposite direction. We should not let this desire for fiscal reasonableness blind us to the fact that taxes are to raise revenue. And, while we must try to collect that revenue in the most efficient and equitable way possible, the revenue must be raised if our services are to continue.

Capital Programme

The capital works programme for 1962-63 has been dealt with in detail by the responsible Ministers. It is not my intention to repeat what has already been said. However, I think it will be useful, if only for the record, for me to outline in broad terms, the programme provided for in capital supply.

Once more our self-sustaining public utilities will be making the heaviest demands on our capital. A blanket authority of two years ago covers the needs of the Manitoba Hydro-Electric Board. Since amalgamation of the electric utilities, this authority includes the needs of the distribution system formerly covered by the Manitoba Power Commission. The Hydro Board programme, which is now approaching a peak on the Grand Rapids project, will require \$48.2 million of its capital authority in 1962-63 in addition to about \$8.0 million from internal reserves, to meet a capital programme of \$56.2 million. Extensions and improvements in the Telephone System will require about \$12.5 million in addition to \$5 million capital generated internally from various reserves and the carry-forward of \$1 million in unused authority from the previous year. The Manitoba Water Supply Board will require authority for \$2.4 million of which \$1.4 million is already authorized. And it is some comfort to know that all these facilities are self-supporting.

Once again, I must add that these investments are necessary to our continued growth and they place no burden on the Consolidated Fund.

The highways programme of just over \$22 million net Provincial expenditure has been placed before you in considerable detail and is covered by outstanding authorities except for about \$700,000. We have asked for an additional authority of \$18 million which will permit forward planning and commitments for the programme for the year ahead.

Land acquisition and other natural resource projects will require \$145,000 authority over and above the \$165,000 already available from previous years. The various drainage and flood control projects need \$3 million in addition to the \$2,166,330 now at hand to fulfill commitments in 1962-63.

Expenditures on public buildings, including \$1,100,000 for the Manitoba Institute of Technology, will require an additional \$1,650,000. Agricultural research needs total \$600,000. A new item appears this year, as the House knows, in the amount of \$1,100,000 provided for costs involved in the housing and rehabilitation programme.

It will be necessary that we supplement the existing authority under Grants, Loans and Advances by \$2,485,000 in the case of the University of Manitoba together with \$395,000 for Brandon College and \$348,275 for the Affiliated Colleges. In the case of hospitals and construction of Homes for the Aged, the total requirement is \$2,126,800 for which additional authority of \$1,810,000 is needed.

Both the Agricultural Credit Corporation and the Business Development Fund will require additional funds to continue their important activities. The Agricultural Credit Corporation expects to advance about \$3 million in 1962-63. The Business Development Fund will also be making loans totalling to a similar amount. Additional authority for advances to these bodies has been requested, however, so that amounts which have been advanced from the War and Post War Reserve can be repaid and that fund established on a more liquid basis. Allowing for the carry-forward of existing authority, there will be required for the Agricultural Credit Corporation, \$6,850,000, and for the Business Development Fund, \$7,800,000.

The programme set out is one further step in our plans for the growth and development of this Province. It involves substantial capital financing, but I have every assurance that the confidence of investors in Manitoba will remain unimpaired and in fact will be increased by this tangible evidence of our determination to progress.

One of the responsibilities that increasingly falls to the lot of Governments is the creation

(Mr. Roblin, cont'd.) of an economic climate suitable for and encouraging to the investment of private capital in the development of industry and agriculture and of our resources generally. We accept this as one of our prime functions. It is a particularly important task in Manitoba's period of transition as we move from what was a relatively simple economy to one increasingly complex. This transition must be stimulated and supported. Our efforts have been and continue to be so directed.

Now, what do these efforts involve? They involve the provision of the capital assets which make a modern economic community possible. Roads, schools, universities, hospitals, water conservation and control, electric power, telephones -- all these things are essential to our progress. They involve, in fact, support of all public services and utilities without which no community can exist. All in all, the programme means the expenditure of large sums -- capital as well as current. While these needs are extensive -- particularly in the field of utility expansion -- they do not make a burden for the people of this Province. Rather, they are a positive element in our progressive growth.

Conclusion

This Budget, Mr. Speaker, continues the theme of progress which has been established in all my previous Budgets. We have accomplished much since assuming office and, while essential tasks remain, these matters will continue to have our earnest and constant attention.

We are, as I pointed out in the Economic Review, starting a year in which prospects are brighter than a year ago, although certainly we have had little to complain about in terms relative to others' experiences. Given any kind of fortunate development in weather, 1962 should be a good year for Manitoba and we look to it with increasing confidence and anticipation.

Mr. Speaker, I now move, seconded by the Honourable the Minister of Education, that the House resolve itself into a Committee; that Mr. Speaker do now leave the Chair and the House resolve itself into Committee to consider of Ways and Means for raising of the Supply to be granted to Her Majesty.

Mr. Speaker presented the motion.

MR. MOLGAT: Mr. Speaker, I beg to move, seconded by the Member for Lakeside, that the debate be adjourned.

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

.....Continued on next page.

PROVINCE OF MANITOBA
ESTIMATED CURRENT REVENUE
1961-62
MAIN ESTIMATES

	Percentage of <u>Total Revenue</u> %	<u>Source</u>	<u>Revenue</u> \$
	--- 1.3	Tax on Insurance Corporations	1,350,000
	--- 1.9	Statutory Subsidy	2,054,000
	--- 3.3	Mines and Natural Resources	3,523,600
	--- 3.8	Canada-Manitoba Unemployment Assistance Agreement	4,000,000
	--- 7.8	Motor Vehicle and Drivers' Licenses	8,200,000
	--- 12.2	Other Departmental Revenues	12,916,800
	--- 13.2	Government Liquor Control Commission	14,004,000
	--- 19.6	Gasoline and Motive Fuel Users' Tax	20,725,000
	--- 36.9	Canada-Manitoba Tax-Sharing Agreement	39,000,000.
	<u>100.0%</u>	<u>TOTAL</u>	<u>\$105,773,400</u>

Source: Treasury Department

PROVINCE OF MANITOBA
ESTIMATED EXPENDITURE
REVENUE ACCOUNT
1961-62
MAIN ESTIMATES

<u>Expenditure</u> \$	<u>Function</u>	<u>Percentage of Total Expenditure</u> %
3,406,652	Public Debt: Interest and Amortization of Discount	3.3 ---
3,516,195	Mines and Natural Resources	3.4 ---
4,276,510	Sinking Fund and Debt Redemption	4.1 ---
4,879,685	Agriculture and Conservation	4.7 ---
12,717,961	Service Departments	12.2 ---
16,223,414	Public Works and Highways (including Highway and related Aids to Municipalities)	15.6 ---
25,306,485	Health and Public Welfare	24.4 ---
33,529,612	Education	32.3 ---
\$103,856,514	TOTAL	100.0%

Source: Treasury Department

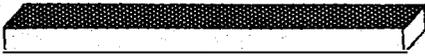
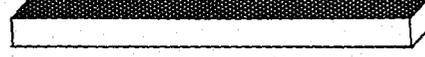
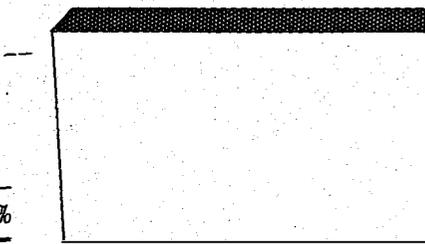
April 26th, 1962.

**PROVINCE OF MANITOBA
ESTIMATED CURRENT REVENUE
1962-63
MAIN ESTIMATES**

Percentage of Total Revenue %	Source	Revenue \$
-- 1.1	Tax on Insurance Corporations	1,400,000
-- 1.7	Statutory Subsidy	2,054,000
-- 3.1	Mines and Natural Resources	3,720,600
-- 3.7	Canada-Manitoba Unemployment Assistance Agreement	4,500,000
-- 6.7	Motor Vehicle and Drivers' Licenses	8,175,000
-- 11.8	Other Departmental Revenues	14,371,700
-- 12.3	Government Liquor Control Commission	14,908,000
-- 17.9	Gasoline and Motive Fuel Users' Tax	21,750,000
-- 41.7	Canada-Manitoba Tax-Collection Agreement Income Tax* \$20,609,000 Corporation Tax* 16,195,000 Succession Duty 1,886,000 Equalization and Guarantee <u>11,951,000</u>	50,641,000
<u>100.0%</u>	<u>TOTAL</u>	<u>\$121,520,300</u>

Source: Treasury Department
* Including Manitoba Hospital Services' Tax

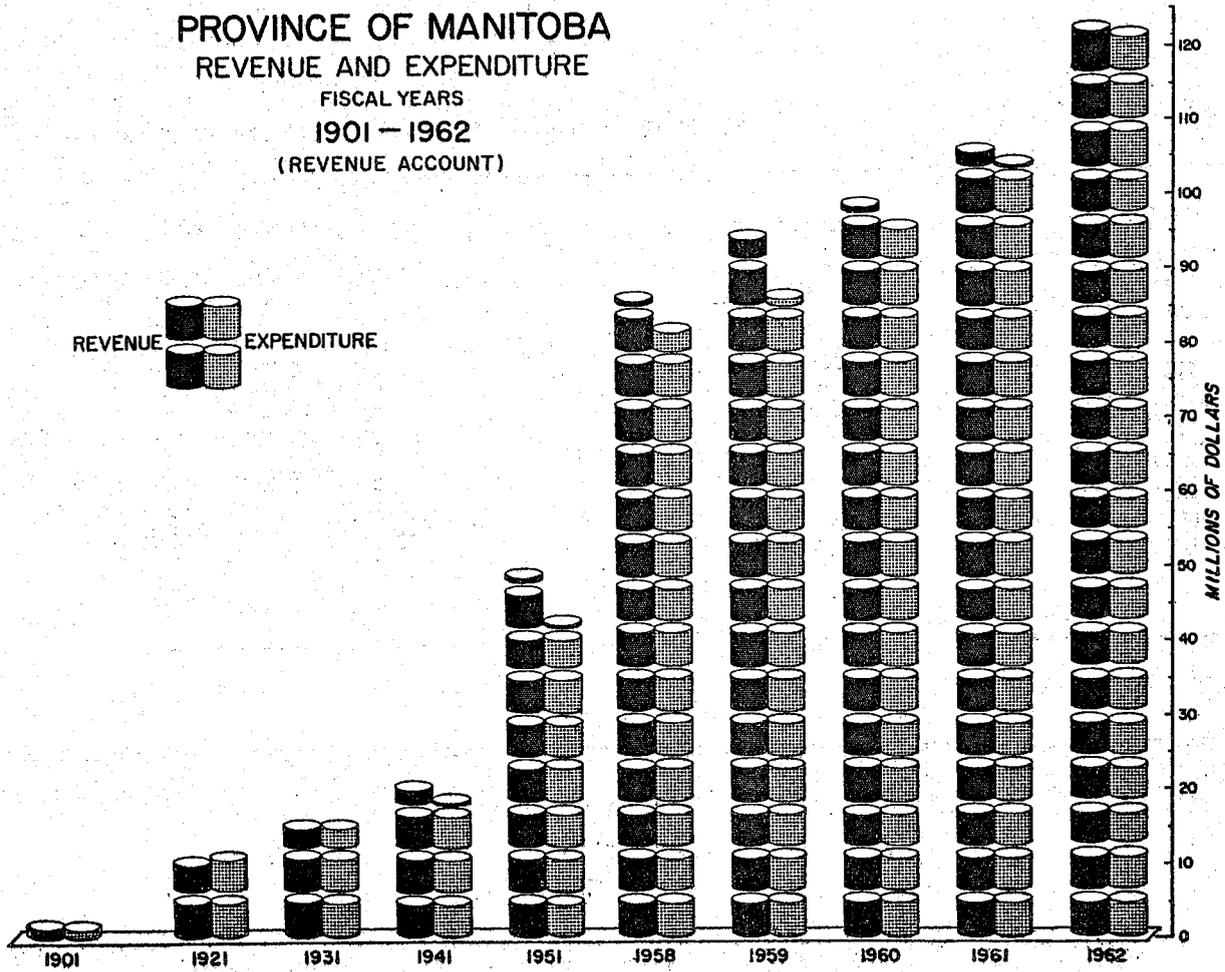
**PROVINCE OF MANITOBA
ESTIMATED EXPENDITURE
REVENUE ACCOUNT
1962-63
MAIN ESTIMATES**

<u>Expenditure</u> \$	<u>Function</u>	<u>Percentage of Total Expenditure</u> %	
4,430,063	Public Debt: Interest and Amortization of Discount	3.6	
4,463,915	Mines and Natural Resources	3.7	
4,818,920	Sinking Fund and Debt Redemption	4.0	
5,135,365	Agriculture and Conservation	4.2	
13,898,792	Service Departments	11.5	
15,323,184	Public Works and Highways (including Highway and related Aids to Municipalities)	12.6	
16,224,090	Welfare	13.4	
20,435,484	Health	16.9	
36,534,383	Education	30.1	
<u>\$121,264,196</u>	<u>TOTAL</u>	<u>100.0%</u>	

Source: Treasury Department

April 26th, 1962.

PROVINCE OF MANITOBA REVENUE AND EXPENDITURE FISCAL YEARS 1901 - 1962 (REVENUE ACCOUNT)



REVENUE AND EXPENDITURE
- REVENUE ACCOUNT -
1901-1962

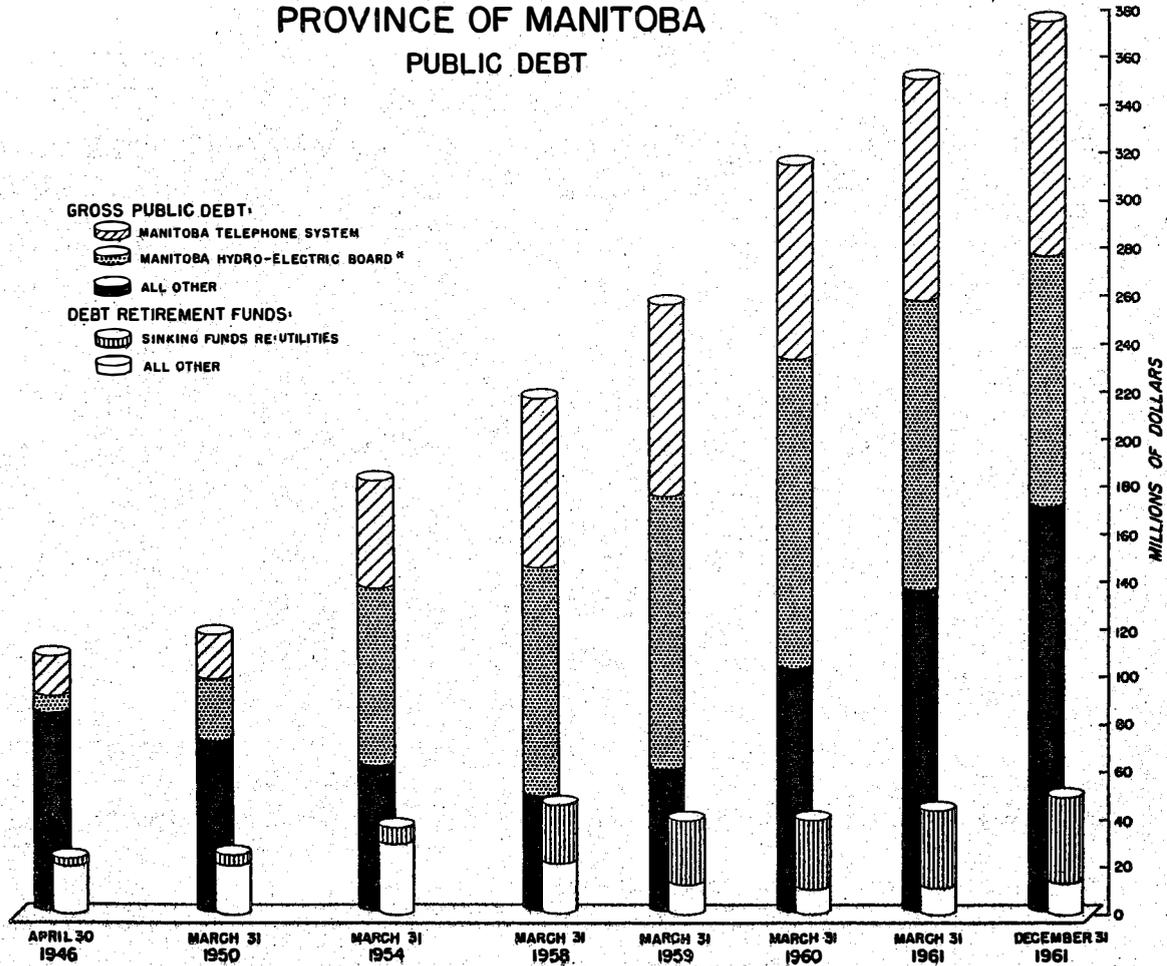
Year	Revenue	Expenditure
	\$	\$
1901 (Fiscal Year Ending December 31, 1901)	1,008,653	988,251
1911 (Fiscal Year Ending December 31, 1911)	4,454,190	4,002,826
1921 (Fiscal Year Ending November 30, 1921)	9,800,861	10,401,895
1931 (Fiscal Year Ending April 30, 1932)	14,631,341	14,631,341
1941 (Fiscal Year Ending April 30, 1942)	19,920,813	18,151,988
1951 (Fiscal Year Ending March 31, 1952)	48,535,695	42,394,917*
1957 (Fiscal Year Ending March 31, 1958)	80,123,615	80,119,247
1958 (Fiscal Year Ending March 31, 1959)	85,356,800	81,615,122
1959 (Fiscal Year Ending March 31, 1960)	93,897,600	85,880,954
1960 (Fiscal Year Ending March 31, 1961)	98,395,000	95,382,970
1961 (Fiscal Year Ending March 31, 1962) ⁽¹⁾	105,773,400	103,856,514
1962 (Fiscal Year Ending March 31, 1963) ⁽¹⁾	121,520,300	121,264,196

* Excludes 1950 Flood Control and Emergency Expenditures of \$3,942,423.

(1) Main Estimates

Source: Treasury Department.

PROVINCE OF MANITOBA PUBLIC DEBT



PUBLIC DEBT TRANSACTIONS - CALENDAR YEAR 1961

Page 2292

A. SAVINGS BONDS TRANSACTIONS:

<u>Series</u>	<u>Term</u>	<u>Date of Income</u>	<u>Date of Maturity</u>	<u>Where Payable</u>	<u>Coupon Rate %</u>	<u>Par Value</u>	<u>Total</u>
<u>Savings Bonds Issued:</u>							
1S	10 years	April 1, 1961	April 1, 1971	Manitoba	5	\$ 40,808,300.00	
Less: Retired 1st October, 1961 to December 31, 1961						<u>1,589,900.00</u>	
<u>Net Increase - Savings Bonds</u>							\$ 39,218,400.00

B. DEBENTURE TRANSACTIONS:

Debentures Retired:

6F	9 years	October 1, 1952	October 1, 1961	Canada	4	5,000,000.00	
7B	2½ years	October 15, 1958	April 15, 1961	Canada	2	10,000,000.00	
7J	2 years	August 3, 1959	August 3, 1961	Canada	2	4,025,000.00	
7K	2 years	August 3, 1959	August 3, 1961	Canada	2	400,000.00	
7Q	1 year	January 15, 1960	January 15, 1961	Canada	2	2,000,000.00	
7R	1 year	February 1, 1960	February 1, 1961	Canada	2	2,000,000.00	
7S	1 year	February 1, 1960	February 1, 1961	Canada	2	1,000,000.00	
7W	1½ years	April 1, 1960	October 1, 1961	Canada	2	1,750,000.00	
8A	1 year	June 30, 1960	June 30, 1961	Canada	2	1,000,000.00	
8H	11 months	January 31, 1961	December 29, 1961	Canada	3 3/8	<u>2,000,000.00</u>	
Less: Debentures Issued:						<u>29,175,000.00</u>	
8F	5 years	January 15, 1961	January 15, 1966	Canada	5½	3,500,000.00	
8G	20 years	January 15, 1961	January 15, 1981	Canada	5½	11,500,000.00	
8H	11 months	January 31, 1961	December 29, 1961	Canada	3 3/8	2,000,000.00	
8J	2 years	December 29, 1961	December 30, 1963	Canada	3	<u>2,000,000.00</u>	
						<u>19,000,000.00</u>	
<u>Net Decrease - Debentures</u>							10,175,000.00

C. TREASURY BILLS:

Issued prior to January 1, 1961, and							
(a) retired during 1961						9,546,500.85	
(b) funded during 1961 by provincial direct and guaranteed debentures and savings bonds						<u>31,908,444.00</u>	
						41,454,944.85	
Issued (exclusive of renewals) in 1961					\$ 99,260,844.35		
Less: (a) Funded during 1961 by provincial direct and guaranteed debentures and savings bonds				\$ 70,620,672.72			
(b) Retired during 1961				<u>260,915.77</u>	<u>70,881,588.49</u>	<u>28,379,255.86</u>	

Net Decrease - Treasury Bills

13,075,688.99

NET INCREASE IN PUBLIC DEBT

\$ 15,967,711.01

April 26th, 1962.

MR. ROBLIN: Mr. Speaker, before we proceed with the remaining second readings we have on the Order Paper, both for public and, I hope, for private bills as well, I think perhaps this would be the right time for me to present the usual motion about the sittings of the House so that we may discuss this proposition. I move, seconded by the Honourable Attorney-General, that for the remainder of the Session, the House have leave to make each night a separate sitting and have leave to sit from 9:30 a.m. until 12:30 p.m. each sitting day, each Wednesday night and on Saturday, and make each sitting a separate sitting of the House, and that the order of business shall be the same as on Thursday.

Mr. Speaker presented the motion.

MR. ROBLIN: Mr. Speaker, in offering this resolution for discussion, I think I should outline what I have in mind with respect to implementing it. And that is -- tomorrow morning, of course, we will be meeting in Committee -- we have one committee at 9, and another at 9:30. Incidentally, at the 9:30 committee the Comptroller-General will be present for the benefit of any members who wish to question him about his function. Therefore, the House will meet at 2:30 in the usual way and proceed with second readings if they're still on the Order Paper and whatever government business there is; and if the Leader of the Opposition is ready to reply to the Budget Speech he will speak then, but that's a matter for him to consider. Then we would have a separate sitting that night and, again, whether or not the Leader of the NDP would wish to make his contribution to the Budget Speech then would be a matter for him to consider. I don't think it's necessary we should try to lay anything down in that respect. And then on Saturday we should meet in the Law Amendments Committee at, say 9:30, to consider the bills that will be before Law Amendments then. My own feeling is, that we will probably take most of Saturday morning and probably Saturday afternoon dealing with the bills in committee because there's a goodly number and if that is the case we would not otherwise sit on Saturday unless it was thought desirable by the members that we should do so. If, however, we got through the bills Saturday morning we might wish to sit Saturday afternoon but we could consult about it. I, myself, have no fixed or firm views on the matter, it just makes it possible; and then we'd be guided by what happens as to what the program should be for the following week.

MR. MOLGAT: Mr. Speaker, I presume this is the normal motion we are receiving every year. I notice the First Minister suggested tomorrow afternoon we'd be going into government business. Is it not intended that we would go into private members' business at that time, being Friday?

MR. ROBLIN: If I may just answer the question and not resume the debate, Mr. Speaker. If the motion passes, then Friday is government business -- properly so. I would think that Friday afternoon would probably suffice to take care of all government business there might be; there's only the second readings left and I don't think they're going to take too long. I may be mistaken there, but it doesn't seem to me they will, and that we would then go into private members' for the rest of the day and probably get a pretty good chunk of that business done as well. I think that we would look forward to completing all the private member business before there is any thought of the House proroguing.

MR. MOLGAT: Mr. Speaker, I think in the past this motion has always brought some objections from the Opposition. In this occasion it will not, from our group. We're quite prepared to have the motion; quite prepared to proceed with it. So far, during the course of the House on a number of occasions we have given up private members' day in order to proceed with government business. This was done on the understanding that at the end of the session there would be time left for complete discussion of private members' business. This, of course, I'm sure, is the understanding of the First Minister himself, and on that basis we are quite prepared to proceed with the order of business as he has set it out.

MR. PAULLEY: Mr. Speaker, I might say we're not going to give oration this year either as we did in the past. We realize the situation; we have an undertaking from the First Minister that the private members' resolutions will not die on the order paper; and with this assurance and the program that he has outlined as to the business for the next day or two, we accept this motion and will not oppose it.

MR. FRÖESE: Mr. Speaker, as long as we're not going to sit on Saturday night everything's okay with me.

MR. CAMPBELL: Mr. Speaker, I would just like to say as one that had the privilege

(Mr. Campbell, cont'd) of moving a similar motion from the other side of the House on a few occasions, I have always taken the position that such a motion as this makes it possible for the House to conduct its business in the most efficient manner. I'm reminded that my honourable friends, even some who now sit on the government benches, used to oppose this motion pretty strenuously, and I'm glad to see that they have learned in office in this regard as they have in several others that the practices of their predecessors were pretty sound.

MR. ROBLIN: Mr. Speaker, if no one else cares to speak, I will conclude the debate by saying that we apply the rules with such reasonableness on this side that I really didn't anticipate there would be any objection to this motion. We can be depended upon to be quite fair about it.

MR. MOLGAT: Mr. Speaker, before we proceed, I wonder if I could ask a question of the First Minister. I wouldn't be quite as optimistic as he about his last statement; but insofar as tonight, after the second reading, what is the intention of the First Minister insofar as the House process?

MR. ROBLIN: Mr. Speaker, answering the question, we will proceed with second readings of the public bills that we started on; we will then go over to second reading on the private bills that we're on; and if, by any chance we should finish those, I would then be quite willing to proceed with private members' resolutions to get some of them started again. Probably it's a little optimistic to think that we will get that far. I'm not proposing the Committee of the Whole for this evening because I understand it's not convenient for some members to continue that debate this evening so we will not propose Committee of the Whole this evening. We will propose it tomorrow.

MR. MOLGAT: And with the closing hour of 11 o'clock, Mr. Speaker?

MR. ROBLIN: I, frankly, will be very glad to close at 11 o'clock, myself. I'm not accustomed to doing as much talking all in one fell swoop as I've done tonight, so I'll be glad to rest my larynx.

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

MR. LYON presented Bill No. 106, an Act to amend Certain Provisions of the Statute Law and to correct Certain Typographical Errors in the Statutes, for second reading.

Mr. Speaker presented the motion.

MR. MOLGAT: Mr. Speaker, are there any changes in this, or is this the normal motion that we get every year?

MR. LYON: No, this is, for all practical purposes, Mr. Speaker, routine, except for those sections which have separate explanatory notes beside them. I can say, I think, without fear of contradiction, that even those that do bear explanatory notes on the side of the page, while having perhaps some legal significance, are not of great substance, although if any questions occur to honourable members we will be quite happy to have either myself or the legislative counsel attempt to answer them in committee.

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

MR. WITNEY presented Bill No. 119, an Act to amend The Fish Dealers Act, for second reading.

Mr. Speaker presented the motion.

MR. WITNEY: Mr. Speaker, the amendments in this act are designed to clarify certain of the definitions that we have here with respect to the dealers, fishing-station operators, fish pedlars and fish stations. Other sections of the Act will delete the requirements for licences for cold storage places and retailers establishments because over the years they have appeared to be unnecessary; and at the same time to delete the requirements for statistics that were required by the cold storage companies and by retailers. There is a section in the act here also which is new, which allows an officer of the department to suspend for not more than two weeks, a licence if, in the opinion of the officer, the conditions on the premises of the licensee are detrimental to the quality of the fish. This is found to be necessary in keeping with the program which has been developed by the Department of Health and ourselves in improving the fishing stations around the lakes and thus improving the quality of Manitoba fish.

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

MR. WITNEY presented Bill No. 122, an Act to amend The Well Drilling Act, for second reading.

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

MR. LYON, in the absence of the Minister of Industry and Commerce, presented Bill No. 126, an Act to amend The Coat-of-Arms and Floral Emblem Act, for second reading.

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

MR. LYON presented Bill No. 127, an Act to amend The Public Utilities Board Act, for second reading.

Mr. Speaker presented the motion.

MR. LYON: Mr. Speaker, there is, of course, no one principle involved in this bill; there are approximately three involved in it. The first pertaining to according the Public Utility Board the right to declare sewage systems to be public utilities. At the present time under the authority of the Act, they may declare water systems to be public utilities, and in effect, what has been happening is that they are making in those municipalities where there are combined sewage and water systems, they have been making orders and treating sewage systems in those areas as though they were public utilities; so in effect what we have here now is legislation which will, in future, ratify or permit the Board to follow through and to enforce those rates and so on that it set with respect to those where the utilities are joint. This has been a recommendation to the government directly from the Board. I hasten to assure honourable members that it is not intended to be used to go back and to declare sewage systems as public utilities, but only in those cases where they are combined and only in those cases in the future where it will be necessary for them to be so deemed in order to carry out the effect of a board order.

The next amendment pertains to the affiliated interest section of the Public Utility Board Act. Honourable members will recall the section as it is presently drafted casts a very wide net. It suggests that in each case where a public utility or where the owner of a public utility or a director has an interest in another company which does business with the utility the board must approve the contract -- and that is all to the good. That is a proper section, but this does cast a very wide net. The purpose of the amendment is to refine, shall we say, this positive intent to the point where the utility may enter into such contract, but not until such time as it has filed with the board the contract or the memorandum giving the full details of the arrangement, and has received from the board a written acknowledgment that the filing has been made as required. So this is a refinement and I would suggest a sharpening of this section without changing the intent of it. I may say to the members of the House, Mr. Speaker, that the Board and the government had consultations particularly with Dr. Gordon Blake, who has, as all honourable members will appreciate, some particular familiarity with this legislation, and resulting upon recommendations he made to us, we have prepared this amendment which is now before you.

Subsequent amendment relating to section 4, although I shouldn't mention the section, deals with the same matter, and it merely goes on to show what the powers of the board are with respect to these proposed contracts when they are filed. Both of those sections deal, of course, with the affiliated interest provisions of the act. The final section in the bill is one that is appropriated from the Municipal Board Act and while relatively routine in nature, it does accord to the Public Utility Board those powers to validate certain acts of municipalities which heretofore have not been vested with the Utility Board, but which prior to the Utility Board becoming a separate board, were part of their powers under the combined Municipal and Public Utility Board.

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

MR. LYON presented Bill No. 128, an Act to amend The Landlord and Tenant Act, for second reading.

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

MR. McLEAN presented Bill No. 129, an Act to amend The Teachers' Retirement Allowances Act, for second reading.

Mr. Speaker presented the motion.

MR. McLEAN: Mr. Speaker, I would like now to demonstrate that the Honourable the Member for St. John's was quite premature this afternoon in his motion of non-concurrence in respect to the estimates of the Department of Education. I would like to remind the House as background to this bill, Mr. Speaker, of what was contained in the Speech from the Throne which His Honour the Lieutenant-Governor was pleased to read to this Assembly at the opening, and I

(Mr. McLean, cont'd) would like to quote the paragraph in full: "I am informed that the Manitoba Teachers' Retirement Allowances Fund is under active study at the present time and that pending the completion of these studies some urgent amendments to the present act will be proposed."

During the time that the estimates of the department were under consideration, I referred to the fact that legislation would be forthcoming at this session of the legislature respecting the Teachers' Retirement Allowances Act, and that this would be followed by the preparation of legislation which would be introduced at the 1963 session of the legislature respecting a revised teachers pension plan. And here, if I may, I should like to read in full a statement which I made in that respect -- and I am now quoting: "We propose to introduce legislation in 1963 to establish a revised Teachers' Pension Plan. A committee will be established immediately following the close of the legislature consisting of school trustees, teachers, government and Department of Education representatives together with necessary technical personnel to do the preparatory work for the legislation required for the proposed revised plan. In planning for the revised pension plan careful consideration will be given to the principles suggested and requested by the Manitoba Teachers Society." End of quotation. I mention these matters, Mr. Speaker, to indicate quite clearly that except in one respect, which I shall mention in one moment, the bill which is before the legislature now is not the final plan, or the final revised plan with respect to the Teachers' Retirement Allowances Act or teachers' pension, but is rather an interim measure which it was felt should be brought forward at this time pending the more complete revision of the plan itself.

There are two matters provided for in this bill. The one matter is the question of the refund of contributions to the pension plan by teachers who withdraw from teaching and withdraw from having to make further contribution. At one time, many years ago, it was the scheme of things that any contributions made upon withdrawing from the work of teaching were forfeited. Some time ago prior to the coming into office of this government the legislation was changed so that any person teaching more than 30 months, or three years, upon withdrawal from teaching would receive a refund of their contributions, but if they taught a period of less than 30 months then upon withdrawing from teaching they forfeited the contributions made to the fund.

One of the requests that has been made by the Manitoba Teachers' Society, and indeed many others, has been that this forfeiture provision should be removed from the Act and the bill that is now before the House does just that -- it completely removes the forfeiture provision so that upon coming into effect of this measure any person withdrawing from teaching, irrespective of the length of time that they teach, will be entitled to a refund of contributions made without interest. This is not retroactive and it has no application to those who have forfeited funds previously but will apply to persons withdrawing from teaching in the future. In respect of this particular item in this bill, this of course is quite complete -- that is to say, this is not involved in any sense in what may be coming forward or what will be coming forward in the way of a revised pension plan at the 1963 session of the legislature.

The other provision of this bill is to provide for an increase in the pension portion of the pensions that are now paid, and this will apply to persons on pension at the present time, and of course to any who come on pension in the future who may be affected by this particular measure. The provision or the proposal is quite simple in its technical terms, namely, an increase in the pension portion of the plan payable; and this will not involve any additional contributions by either employing school boards or by teachers. The increase is of the order of 20% and will apply to all teachers and to all persons who are entitled to pensions under the Teachers' Retirement Allowances Act. I stress again that this is an interim measure; it is not in any way to be regarded as final and is being made at the present time pending the further revision of the plan which will be brought forward for consideration by the legislature in 1963.

This will for almost all of the persons -- not all, but almost all of the persons, 681, are presently on pension at the present time, there will be some additions, of course, at the end of the school year -- it will mean an increase of \$20.00 per month to the majority of the former teachers who are presently on pension.

MR. MOLGAT: Mr. Speaker, due to the fact that I've read on to the record twice now -- first of all during the Throne Speech debate and later on during the estimates, the record of this government in the matter of teachers' pensions -- I don't propose to go over the whole thing

(Mr. Molgat, cont'd) again tonight. But all I can say is that after four years -- because this is how long the Minister has been investigating this matter, and this is how long he has been making promises to the teachers that he would meet with them; he would study their proposals; he would set up committees; he would do something -- after four years to present this bill, well, it's just not enough. It's too little and too late. The Minister can turn around, as either he or some of his colleagues said in the Throne Speech debate: "well the previous government didn't do any better; you set it up in the first place" -- I think it was the First Minister who said that. Mr. Speaker, that just isn't enough of an explanation. In fact, it's no explanation. We're not here to discuss what the previous government did; we're here to discuss what this government is doing.

They've received the recommendation of the Royal Commission. The recommendations of the Royal Commission were quite clear in this regard; very direct and very straightforward. They have received submissions from the Teachers' Association on a number of occasions. I think clear submissions, and clear requests; and yet the government is proposing something which is -- well insofar as it goes certainly we're not going to oppose it, but it just doesn't go far enough. I can only repeat what I said on the two previous occasions: I cannot understand how the Minister is unable to make up his mind on this matter; why it has taken him four years after all the promises he has made to the teachers, to reach just this point; why he cannot at this session of the House present us with a complete overhaul of the plan -- something along the lines, I would suggest, of what the teachers are suggesting, which I think is roughly in line with what the Civil Service here are getting; why he has to tell us now that it needs another study when he's been promising for three years to study it, is beyond me.

We are not going to oppose the passing of this bill but it is just not satisfactory and not enough at this time after the time the Minister has had to consider it.

MR. ORLIKOW: I've spoken on this problem several times this session and I had not intended to say anything tonight; I planned to reserve my comments for third reading. But in view of the somewhat gratuitous remarks of the Minister I think I should say something. Why the Minister should feel in the light of what we in this group said before that this mouse which the mountain has produced after four years would satisfy anybody, I don't know. Because, Mr. Speaker, we know -- the records are clear -- that this province has one of the worst, if not the worst, teachers' pension plan in Canada. We know that the Royal Commission recommended drastic revision, we know that the Teachers Society has asked for drastic revision; we know that the Trustees Organization have agreed that real revisions are necessary; we know that the teachers who are, in fact, employees of the Province of Manitoba morally -- well, the Minister shakes his head, naturally it's an easy way to skate around the problem -- but it really makes no difference to the people concerned whether their pay cheque is coming entirely from the province or is coming in part from the province and in part from the school district. When it suits this government, of course, they can throw out their chests and brag -- as the First Minister did tonight -- about how much they're doing for education. And they are. But where is the money for education going? It's going precisely into payment of teachers' salaries. So when it suits them they can take the credit for it; when it suits them to get out of something, then, of course, they can argue that the teachers are not provincial employees and therefore they don't really have to get on with the job because it's not their responsibility. I say again, as I've said before, that morally the teachers of this province are just as entitled to an adequate pension plan as the other provincial civil servants.

And what are the teachers asking? They're already putting in the same kind of contribution as other provincial employees, and if there's not enough money -- and this hasn't been demonstrated -- if there isn't enough money to pay them the kind of pension which other provincial government employees get, which other teachers in other provinces get; then it's the province which has to make up the difference. But even this is no problem, Mr. Speaker, because if the province were to accept the same kind of plan as we now have for other provincial government employees, there would need to be no increase -- in fact there might be a decrease in these coming few years in the amount that the province puts in. Later on, of course, the contribution of the province would increase. But that's no more than we're doing for other provincial employees. So why the Minister should think that this bill will satisfy either the members on this side of the House or the teachers, I don't know. As a matter of fact, as the Minister knows,

(Mr. Orlikow, cont'd) and as most members of the House probably know, the teachers have already publicly expressed themselves on this bill. And what have they said? First of all, naturally they're pleased with the clause about the ending of the forfeiture -- why shouldn't they be, there never was any justification for taking that money. As far as the increase is concerned, naturally the teachers who are on the very low pensions -- teachers who taught in the years when teachers' salaries were very low -- will be happy with a \$20.00 a month increase. Well, I point out to the members of this House that what we're giving them is a 20% increase according to the Minister when in fact the Teachers Society proposal asks for, I think, an increase of one-third.

And for the basic problem there is no answer at all. It's true that the Minister says that they'll get on with the job and that they'll have a plan for this time next year. I hope that this is so and I suppose it will be so. But I say again, what I said before, Mr. Speaker, that there is no need -- I'm not suggesting that there's no need for a detailed survey of exactly how this will work -- but I say again, Mr. Speaker, as I said before, and as the teachers have said, and the trustees have said, in effect -- except the trustees say, "Don't charge; don't make us pay" -- but what they've all said, and with truth, that there is sufficient money in the fund now to increase the pensions of teachers as of now.

Now we're not going to vote against this bill, naturally, because if we were to vote against this bill the teachers would get nothing; so we have no alternative but to vote for it. But I think the Minister should know -- and I'm sure he does know -- that this bill satisfies nobody. It doesn't satisfy the teachers and it certainly doesn't satisfy the members of this House who have been critical of the procrastination of the government on this matter.

And I say again that there are some people in this House -- and I know people outside this House -- who think that we have done very well by the teachers. I don't want to debate that question tonight. It's true that teachers' salaries have gone up; but they haven't gone up in this province any more than they have gone up in other provinces. But that really has nothing to do with the basic principle which in theory we all agree with; which is that every person who works is entitled to an adequate pension when he retires and that has not been provided for for the teachers of this province up 'till now and it is certainly not provided for under the provisions of this bill. And until it is provided the members on this side of the House and the members in this group will certainly continue to press for the basic changes which are needed.

MR. FROESE: Mr. Speaker, I have a few thoughts on the bill before us. First of all I'd like to ask the Honourable Minister a question. And that is whether this increase in pension precludes increased contributions from the government and the school districts or school divisions in the year to come. Then on the fund itself, I feel that the government should divorce itself completely from the Retirement Allowances Fund and hand it over to the teachers and trustees. Why does the government have to be in this at all? I feel that they would be quite willing to take it over themselves and I think that's the course we should follow.

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

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

MR. LYON, in the absence of the Honourable Provincial Secretary, presented Bill No. 130, an Act to amend The Civil Service Superannuation Act, for second reading.

Mr. Speaker presented the motion.

MR. LYON: It's all covered I believe, Mr. Speaker, much more succinctly that I could attempt to give it to the House, in the explanatory note.

MR. HILLHOUSE: Mr. Speaker, this is the last opportunity that I'll have during this session to raise the question of the amount of pension that is being paid under this Fund to those employees of the provincial government who retired prior to 1950. I think it's a matter of record that between 1933 and 1937 the civil servnats of the Province of Manitoba took a reduction in salary of 20%. It's also a matter of record that during that period they received no annual increments. It's also a matter of record that in 1950 the salaries of civil servnats commenced to rise and have continued to rise since that date. Now under the present Civil Service Superannuation Act a pension is payable on the basis of 2% of the annual salary for the past 15 years, multiplied by a maximum of 35 years of service, and as far as these old employees are concerned that nets them very little. As a matter of fact the disparity in the pensions

(Mr. Hillhouse, cont'd) payable to these individuals is very great. In 1961 some relief was granted by the government to those employees, but according to a pamphlet of the Manitoba Government Employees' Association it says that under the new formula which became effective April 1st, 1961, only 4% of that group received any benefit.

Now I took it upon myself to check with eight old employees of the Hospital for Mental Diseases at Selkirk to find out how many years service they gave to the Government of Manitoba and what their average salary was for the last ten years of service. And here's what I found. In the case of one employee, who had 38 years and four months of service, his average salary for the last ten years of service was \$175 per month. His pension is \$89.22. A second employee had 37 years and 11 months service. His average salary for the past ten years of service was \$225.00. He receives a pension of \$101.96. Another employee had 39 years service. His average salary for the last ten years was \$250 per month. He receives a pension of \$162 per month. Another employee with 22 years service, whose average salary was \$130 a month, he receives a pension of \$47.58. Another employee of 22 years service who had an average salary of \$125 per month receives a pension of \$46.20. Still further, an employee with 30 years service, whose average salary was \$65 a month -- and that was during the years of depression -- he receives a pension of \$50 per month. Another man with 35 years and three months of service, whose average salary was \$185, he receives a pension of \$122.06 a month; and the last man with 28 years of service, with an average salary of \$175 per month, he receives \$87 per month.

Now I have given these figures to show the wide disparity in pensions payable to these individuals, and each one of these individuals whose name I have here was doing a comparative type of work, which shows you the range in their salaries during their period of employment.

Now I'm not suggesting for one moment that the formula under the Civil Service Act be changed. But what I do suggest is this: that a sum of money be set aside to provide by way of a bonus or a gratuity to those old employees an additional payment which will bring their pension up to an amount which would be commensurate with the gratitude that we should pay to these men for the years of service which they have given in the service of this province. Now lately the method used by the provincial government in funding its contribution to the Civil Service Superannuation Plan was changed. At one time the province met the contributions by the employees dollar for dollar; but under the new system the Manitoba Government, when an employee retires, pays to the Fund an amount equal to half of that employee's monthly pension. Now under this system the amount of money which the government is paying out annually is much less than what it paid out when the Superannuation Fund was funded, and I suggest -- and I make this request with all the sincerity at my command -- that the government give consideration to setting aside a sum of money which would be adequate and sufficient to give to these old employees a monthly pension which would be more in keeping with the gratitude which we should owe them for the services that they have rendered this province.

MR. LYON: Mr. Speaker, I'm sure that the suggestion put forward by the Honourable Member for Selkirk, like all the suggestions he makes in the House, would be -- and will be considered by the Provincial Secretary when he has the opportunity to observe it in Hansard -- with great care. In the meantime I can say to him that two years ago, as he may recall, adjustments were made -- I believe he mentioned this in the course of his remarks -- which did permit an up-grading from the then existing level of pensions paid to pensioners in the category he described. In addition to that I believe there is provision for some form of adjustment, not necessarily relating to that total category that he refers to, but adjustments can be made with respect to individual cases on basis of need and under grace and compassion rules. But all I can say at this stage on behalf of the Provincial Secretary is that I will certainly direct his attention to the remarks that have been made by the Honourable Member from Selkirk.

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

MR. LYON presented Bill No. 133, an Act to amend The Expropriation Act No. 2, for second reading.

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

MR. SPEAKER: Second reading of Bill No. 114. The Honourable the Minister of Industry and Commerce.

MR. LYON: Mr. Speaker, on behalf of the Honourable Minister of Industry and Commerce, and because I feel that members of the House would like to hear his explanation of this bill at second reading I would ask permission to have it stand.

MR. SPEAKER: Order stand.

MR. HUTTON presented Bill No. 124, an Act Respecting Ground Water and the Drilling of Wells for Ground Water, for second reading.

Mr. Speaker presented the motion.

MR. HUTTON: I would advise the members to read the Act. It's self-explanatory. I think it's set out very plainly what we are trying to do. It's an attempt to gather information and to make this information available to the people in the business of drilling wells and through them to the people who are developing the water resource. It also provides for steps to be taken in conserving ground water supplies where these are jeopardized; and provides for procedures to be followed in assessing costs where it may be determined that these water resources are being jeopardized through the neglect of the person responsible.

There might be a question in the minds of some of the members in respect to the issuing permits where a well driller is in the field and he wants to get to work. There's an Act similar to this in the Province of Saskatchewan, and the procedure that has been followed there has been that where the well driller gives notification, either by postcard or dropping a letter in the mail, that at this time this is considered sufficient notice to the department; and in our opinion, in considering plans for implementing this Act, we intend to follow something of this procedure. Some day, eventually, when a great many wells have been put into an aquifer to the point where it is going to jeopardize the water supply to those who already are drawing supplies from a given aquifer, it may become necessary to control a number of such wells, but at this time and for some years to come we don't anticipate having to take this kind of action. But we are very anxious to be in a position to know what wells are being drilled; where they're being drilled; and data peculiar to these wells.

I might point out, too, that it is not the intention to necessarily require this data in respect to every well that is drilled. For instance, you might have two or three wells being drilled fairly close together where you have already all the information that is required for your general log within the department, so in a case like this, you wouldn't require that the information be forwarded to the department. But there are areas where we are very anxious to get information and in these areas we will be requesting that such be filed with the department.

MR. HILLHOUSE: Mr. Speaker, I presume when this goes into Law Amendments that the Director will be present so that we'll have an opportunity from finding out from the Director the real necessity of this Act being passed, because there are certain features in the Act that seem quite rigorous and I'm still old-fashioned enough to believe that a "man's home is his castle." The definition of drilling here also includes digging and, under that Section 5, it would appear that a farmer would have to obtain a permit to dig a well on his own farm. --(Interjection) -- Is there a specific exclusion?

MR. HUTTON: In section 4 -- (Interjection) -- Three rather.

MR. HILLHOUSE: Oh, that's right. There are certain other powers in the Act that seem to be quite large, but the way I feel about it is, if it's necessary in order to conserve our water supply in Manitoba that we have this law, no doubt the Director will be able to advise us on that point.

MR. FROESE: Mr. Speaker, I beg to move, seconded by the Honourable Member for Brokenhead, that the debate be adjourned.

MR. CAMPBELL: I presume that the honourable member would not mind if I spoke now.

MR. FROESE: Certainly not.

MR. CAMPBELL: I have very few remarks to make, but I would like to suggest to the Minister, Mr. Speaker, that the point made by the Honourable Member for Selkirk is still valid so far as the average farmer is concerned in needing a permit, because of the fact that the exception for the farmer is limited to him doing it by himself or with his own equipment. Most of the cases I'm sure that the department will be interested in will be the deeper wells -- generally speaking the drilled wells -- (Interjection) -- Oh, I would think so. --(Interjection) --

(Mr. Campbell, cont'd) ;..... yes, the drilled wells, not the ones that the farmer would be likely to be digging with his own equipment, so I would think that that point is still valid.

The one that I have a particular objection to, that I shall certainly suggest to the Minister in Committee if I'm there, will be the middle part of Section 9 where, when action has to be taken to control a wild well, that the Minister may determine the cost of the things done; the person who is responsible for controlling the flow or output of the water; and the person who is liable for the cost. I suggest once again to my honourable friend that while I have the greatest confidence in him that he would be fair and reasonable, it's a responsibility that I think no Minister by himself should assume, and I would suggest that in this case that he consider changing that to the Lieutenant-Governor-in-Council. I don't think in these cases there are so many of them likely to come up that it's going to be any hardship on the Lieutenant-Governor-in-Council to deal with them, and I think that where jurisdiction is given to impose what could be a fairly severe cost on an individual, that it's much better to have the Lieutenant-Governor-in-Council doing it rather than an individual minister, even though the Minister I think in this case is a very fair-minded person. So I would -- (interjection) -- yes, he may not be there very long. I realize that there is provision in the Act where the consolidated revenue, again on the determination of the Minister -- and I've no objection to that part at all -- can carry that cost. I would suggest that in the most of cases that's likely what would be done, but I would like to raise that one point. Thank you, Mr. Member for Rhineland.

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

MR. McLEAN presented Bill No. 135, an Act to amend The University Act (2), for second reading.

Mr. Speaker presented the motion.

MR. McLEAN: Mr. Speaker, just a word or two of explanation. First of all, the explanatory note which sometimes says "self-explanatory", in this instance is quite wrong and it's taken transposed from another bill entirely. I'm not too certain what will have to be done to correct the document, but that will be done when the bill is in committee.

Members of the House will recall that there was a bill before the Legislature just a short time ago which had to do with the investment powers of the University of Manitoba. As it turned out, counsel for the university, who had drafted the bill, omitted entirely one of the provisions that they had intended to have in the bill and this bill is only for the purpose of getting into the Act the complete powers that they had intended in the first place. It's of the same principle as the previous bill and I will arrange for the Comptroller and other officers of the university to be present before Law Amendments Committee in order to provide such explanation as may be required.

MR. WRIGHT: Mr. Speaker, may I point out the explanatory notes are from the Bill 136, Winter Employment Act, and the university explanation is included. It just simply means interchange of the explanatory notes.

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

MR. CARROLL presented Bill No. 136, an Act to amend The Winter Employment Act, for second reading.

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

MR. McLEAN: Mr. Speaker, I would ask you now to call the adjourned debate on the second reading of The Act to amend The Metropolitan Act, No. 1. If the Honourable Member for Lakeside is not ready to speak, perhaps there might be an opportunity for others, or just as he would wish, or he may wish it to stand.

MR. SPEAKER: Adjourned debate on second reading of Bill No. 100.

MR. GUTTORMSON: Didn't the First Minister indicate earlier that we were going into the private bills after we finished the government bills?

MR. McLEAN: I don't know whether the expression of private bills -- there are a number of public bills on Page 9. -- (interjections) --

MR. SPEAKER: Bill No. 90?

MR. McLEAN: Does the Honourable Member for Lakeside not wish to speak on this?

MR. CAMPBELL: It makes no difference to me whatever, Mr. Speaker -- none whatever.

MR. McLEAN: Well then, Mr. Speaker, we'll turn over to Page 9 and start with Bill No. 90.

MR. D.M. STANES (St. James) presented Bill No. 90, an Act to amend The Metropolitan Winnipeg Act (2), for second reading.

Mr. Speaker presented the motion.

MR. STANES: Mr. Speaker, these are administrative changes which have been requested by the administration through the Council of Greater Winnipeg. There are three changes. Section No. 20, which was a change to reduce the amount of time on reporting an accident on the Transit. Apparently there is legal disagreement here and the Council have asked me to withdraw that bill and it will be withdrawn in Law Amendments. There is a conflict also on Section 14 with the other bill on Metropolitan Winnipeg, and I understand that an amendment is coming in on Law Amendments on that one. I also understand there is an amendment coming in concerning the responsibility of the Assessment Officer into this Act in Law Amendments as requested by the City of Winnipeg through Metro, and I understand that's being taken care of.

The other amendment, Mr. Speaker, correcting misunderstandings in the original Act which clarifies the position and the action which the Metropolitan Council has been doing since that time. There are one or two new sections. Again clarification I think in every single case. They are adopting the authority which is existent in the City of Winnipeg and there is one typographical error. I think perhaps it is better to explain the details of these individual sections which are all administrative, in the law amendments when people more qualified than I can explain them.

MR. HILLHOUSE: Would the honourable member permit a question? Could the honourable member explain to the House why Bill No. 100 was introduced by the First Minister and Bill No. 90 was introduced by a private member, both dealing with Metropolitan Winnipeg?

MR. STANES: I cannot answer for the First Minister but I can say that I was asked by the Metropolitan Council to bring in this bill.

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

MR. DESJARDINS presented Bill No. 109, an Act to amend The St. Boniface Charter, 1953, No. 2, for second reading.

Mr. Speaker presented the motion.

MR. DESJARDINS: I think the best explanation -- for my colleague that can't read I think I should -- I'll only read this note here: "The purpose of this amendment is to fix the reasonable life of an improvement and to make provision for the apportionment of the cost of replacing or reconstructing an improvement, the useful life of which has not expired" and I cannot explain any better than that and for my --

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

MR. DESJARDINS presented Bill No. 96, an Act to amend The St. Boniface Charter, 1953, No. 1, for second reading.

Mr. Speaker presented the motion.

MR. DESJARDINS: Mr. Speaker, there are a number of points in this Act. There is one that provides for the election of an acting mayor every two months instead of every three months the way they have it now. And then there is one thing that should not require any explanation to my colleague -- (interjection) -- the one in the front -- I explained -- this one is the provision for a raise from \$5,000 to \$7,200 for the salary paid to the mayor. Mr. Speaker, I wonder if you would ask my colleague to refrain from these frivolities when I'm And then there's another provision to give the city authority to fix the water rate themselves instead of going to the Public Utilities Board; and then there's also a section giving the city the authority to establish the sewer and water reserve fund to provide for the maintenance of the said fund.

MR. GRAY: There must be a reason -- I'm not worrying about the increase in his salary -- it's their business.

MR. DESJARDINS: I can't hear him, Mr. Speaker.

MR. GRAY: I say I'm not arguing about the increase of salary. That's the business of the St. Boniface council, but I cannot understand what difference it makes whether you have an acting mayor every two months or every three months. I think to bring in a bill of such simple matters, in my humble opinion, is an insult to the members of this House.

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

MR. M. E. McKELLAR (Souris-Lansdowne) presented Bill No. 110, an Act to provide for the Disestablishment of The Municipal School District of Elton, No. 2360, for second reading.

Mr. Speaker presented the motion.

MR. McKELLAR: Mr. Speaker, this bill is a bill to disestablish the Elton Municipal School District as mentioned in the bill and, in explaining, I'd like to mention that a very small proportion of this school district is in my constituency; the rest is in the Honourable Member for Minnedosa's. The Elton Municipal School District No. 2360 takes in most of Elton Municipality and a small amount of Municipalities of Cornwallis, Odana and Daly. As I mentioned before, I represent the electors of Cornwallis. Elton Municipal School District was formed in 1958 and on November 1st, 1961, an election was held to vote on the by-law to disestablish the Municipal School District. The resident electors within the boundaries of Elton Municipality were allowed to vote and the resident electors of the three other municipalities, Odana, Cornwallis and Daly were not allowed to vote, even though they resided in the Municipal School District of Elton. The by-law was defeated by a vote of 278 to 172. There are approximately 144 people in these other three municipalities who were denied the right to vote. I realize that the persons involved could have taken this to court within 21 days after the vote but they did not do so and, at the request of the electors of Cornwallis Municipality, I am bringing in this private member's bill to cancel the previous vote and call for a new vote of all the resident electors within the boundaries of Elton Municipal School District.

I may say that I have had many interpretations of this section of The Public Schools Act and many lawyers have interpreted different ways. I am saying also that while maybe the Elton Municipal School District were not legally wrong by denying these people a vote, I think there is a moral obligation to call for a new vote which will entitle all the resident electors of all the municipalities the right to vote. I suggest that this bill go to committee so it can be discussed further and the Elton Municipal School Board and Elton Municipal Council can express their views on this matter.

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

MR. HILLHOUSE presented Bill No. 125, an Act to amend The Child Welfare Act, for second reading.

Mr. Speaker presented the motion.

MR. HILLHOUSE: Mr. Speaker, I realize that this bill may be somewhat contentious. I further realize that there may be certain members of this House who cannot support it on the grounds of conscience. I respect their right to disagree with me and I defend their right to disagree with me, but in introducing this bill I think I should first of all clear up what I consider to be a public misconception of the so-called religious section in The Child Welfare Act.

I think the average person is under the impression that The Child Welfare Act prohibits a person of one religion from adopting a child of another religion. Now, Mr. Speaker, that is not so. I think, too, that even among the members of this House there is considerable misconception as to what Section 131 of The Child Welfare Act provides, and for that reason I think it would be as well to read that section. Section 131 (1) of The Child Welfare Act says: "No child dealt with under this Act: (a) being a Roman Catholic child, shall be placed in the care of a Protestant society or in a Protestant family, home or institution." Now that is a Roman Catholic child into a Protestant home or institution. Subsection (b) is the opposite -- "being a Protestant child, shall be placed in the care of a Roman Catholic family, society, home or institution." Then (c), "being of a religious faith other than Protestant or Roman Catholic, shall be placed in the care of a Protestant or a Roman Catholic family, home or institution."

Now the only prohibition regarding religion in Section 131 of The Child Welfare Act is in respect of a Protestant or a Catholic. Neither one can adopt a child of the other religion and neither one can adopt a child of any other faith, but there's nothing in this section whatsoever which prohibits a person of another faith, regardless of what that faith may be, from adopting either a Roman Catholic or a Protestant child. Furthermore, Mr. Speaker, there is nothing in this Act which prevents an atheist, or a person possessing no faith whatsoever, from adopting a Roman Catholic or a Protestant child. Now it is true that the Act further provides that subsection (1) does not apply to temporary placements, and it is in respect of

(Mr. Hillhouse, cont'd.)..... temporary placements that all of the trouble has arisen under this act.

Now I thought it was advisable to explain that section because I think there is considerable misconception regarding it and as far as I'm concerned, I can't see the reason for it. It seems to me that the only purpose of that section is to retain the numeric equilibrium between the two main faiths in Canada; and I submit, Mr. Speaker, that such a conception should not find its place in any welfare act. I feel that in any welfare act the welfare of the child should be the main consideration. As to a child's religion, I submit that the child has no religion and that a child does not get a religion until it is several years old.

Now as I say, the mischief that is done under this act is largely done through subsection (2) of section 31, which says that "this section does not apply to the placing of children in a situation or in a temporary home or shelter, but due regard shall be given to the religious preference of a child." Now how can a child 6 months old, who is placed in a temporary home or shelter, have a religious preference? But that's what the act says: "the proper time shall be allowed that child for the exercise of religious duties."

Now I feel, Mr. Speaker, and I feel so quite sincerely, that every child should have a religious background. I think it's necessary and I think it's essential, but I do not think that when we are faced with a problem with which we are faced in Manitoba today, that the religion of a child, which is the religion of the child's mother or the religion under which it was baptized, should be the determining factor in the placing of that child in a home for adoption. I think the welfare of the child should be the primary consideration and I don't think any other factor should be taken into consideration. If the agency which places that child in a home for adoption exercises due care and attention and only chooses the home that is most suitable for that child, it is my submission that that child's spiritual welfare will be taken care of if the agency is doing its job.

I would also like to say, Mr. Speaker, that I think a great deal of mischief has been done under this subsection (2) of the act through children having been placed in foster homes by agency, and I'm instructed and apprised that in a great number of these placements, these foster parents were not advised of the religion of that child at the time of placement; and that in a great number of instances, these children have been left with these foster parents for a number of years, resulting in these foster parents acquiring a love and affection for that child and the child acquiring a mutual love and affection for that foster parent. Now to me, I think it is most inhuman when these people go to the agency to try to adopt that child and then find out that there is a barrier against their adoption -- a religious barrier -- and my submission is that that should not have any place in our welfare legislation.

As I said at the beginning, we have a problem in Manitoba and we have a big problem. Last year when that amendment to the child welfare came up for consideration, we were told that by amending that section of the act which gave a mother the right to determine what religion the child would be brought up under at the time of committal or adoption, that that amendment would take care of all the backlog of cases. Now I would like to quote from the 1961 report of the Department of Welfare of Table 7, Page 15. This gives the wards of the director and the Children's Aid Society. Under guardianship at December 31, 1959, there were 1,831 children; under guardianship at December 31, 1960, there were 1,914 children; under guardianship at December 31, 1961, there were 2,176 children.

Now here are the committals during the years 1959, 1960 and 1961. In 1959 there were 389 committals; 1960, there were 483 committals; 1961, there were 607 committals --- an increase of 124 over the preceding year. Now, Mr. Speaker, that is a trend. It's a very definite trend; and if you will notice that the number under guardianship between 1960 and 1961 increased by 262 and that the number of committals between 1960 and 1961 increased by 124, well there's something wrong somewhere in the statement which was made to us in Law Amendments that these children were going to be taken care of by this amendment.

Now there's another matter which I would like to mention and that is this, and I know that such facts should not be mentioned in polite society, but Manitoba has the third highest rate of illegitimate births of any province in Canada. Manitoba's rate -- percentage of illegitimate births to live births in 1961 was 5.8%. The Canadian average for that year was 4.3%. And if I go back to '58, Manitoba was 5.4% then; the Canadian average was 4%. In 1959,

(Mr. Hillhouse, cont'd.). . . . Manitoba was constant at 5.4 and the Canadian was 4.2; but between 1959 and 1960, Manitoba has jumped up to 5.8. As I say, that is the third highest in Canada. British Columbia has the dubious record of being first; Nova Scotia has the dubious record of being second; and we're third. Now I submit, Mr. Speaker, that we have a real problem on our hands and this problem is not going to be solved by hiding our head in the sand like a bunch of ostriches. This problem is only going to be solved by some positive, courageous program and I don't think that we should put any roadblocks in the way to prevent all of these children, who are adoptable, being adopted. I think that is the best assurance and the best guarantee that we have that these children will grow up as useful citizens. I think it was in the other night's Tribune I read a statement by a certain doctor who is in Winnipeg saying that even a child at 9 months old was affected by its environment.

It may be of interest to the members of this House -- I believe it was on April 15, two weeks ago -- there was a telepoll conducted across Canada where a thousand people were telephoned to express their opinion on whether or no religion should be a factor in the adoption of a child. Seven hundred and twenty-four people answered no; 235 answered yes; and 41 had no opinion. It was 3 to 1 out of that sample of 1,000 telephone calls made throughout the lengths and breadths of Canada -- 3 to 1 felt that religion should not be a factor in a child's adoption.

As I said at the beginning, I realize that there are individuals who will oppose this bill on the ground of conscience. I hadn't caucused this bill with my own group for the simple reason I felt that it would be unfair to try and get any commitments from my group before I brought this bill into the House. I have not discussed this bill with any member of the House. All that I ask this House to do is to let us have a free vote on it. I think the members will realize that in my reading of section 131 of the act and my interpretation of that section, that the only prohibition is between the two main faiths; that there's no prohibition in respect of the other faith and there's no prohibition against the person possessing no faith.

Mr. Speaker, I would like to conclude by reading portions of a "Declaration on the Rights of a Child" and these were adopted by the Commission on Human Rights of the United Nations in 1959. Canada is a signatory to that treaty and Canada is bound by the covenants of that treaty. Manitoba is a part of Canada and it should acknowledge and adhere to the covenants signed on its behalf by our federal government. I will not read all of the declarations, but those of you who attended the inspection of the Vaughan Street Detention Home a short time ago saw those declarations posted up in the offices of most social workers. The principal one is: "The child shall enjoy all the rights set forth in this declaration. Every child, without any exception whatsoever, shall be entitled to those rights without distinction or discrimination on account of race, colour, sex, language, religion, political or other opinions -- national or social origin, property, birth or other status, whether of himself or of his family." Principle No. 9 states: "The child shall be protected against all forms of neglect, cruelties and exploitation. He shall not be the subject of traffic in any form." Under this act the child is the subject of traffic. He's trafficked from one home to another, regardless of the effect that it has on the child's psychology. Principle No. 10: "The child shall be protected from practices which may foster racial, religious, or any other form of discrimination; he shall be brought up in a spirit of understanding, tolerance, friendship among peoples, peace and universal brotherhood; and in full consciousness that his energies and talents should be devoted to the services of his fellow-man."

Mr. Speaker, I submit that under our law as it stands, we are not giving a child a square deal. Every child who is brought into this world, regardless of whether that child is legitimate or illegitimate, is entitled to all the protection and everything that society can give to that child. We are denying that child under our law something which is its birthright; and I think that the sooner we correct this injustice towards the child, the sooner we'll solve the problem which has plagued us for years.

In conclusion, Mr. Speaker, I would ask the members of this House to vote freely, I don't think that this is a vote in respect of which the government should, through its whip, instruct its members to vote otherwise than according to their conscience. It's not a political issue, and I submit it's not a religious issue. We're dealing with the welfare of a child and if that child is placed in a proper home, I submit that the religion and the spiritual welfare of that child will be taken care of.

MR. GRAY: Mr. Speaker, the few remarks that I make on this subject would be entirely my own. I'm not representing either my religion or my group. I'd like to support the bill to go on second reading -- for I agree with the bill -- unless in Committee there will be proof presented for me to change my mind. In the first place, there's no such thing as illegitimate children. They are children of unwedded parents. We have tried for a long time even to take off the term on the birth certificates, and it was finally taken away. I don't think that we should bring up again the word illegitimate. At least the child is not illegitimate -- the parents may be.

I also do not want to be a referee between the two great religions in Canada. In principle, if there is a good home for adoption and there is a certain consent, and it could be obtained either from the mother or father if he could be found, as to the religion, I think it should be taken into consideration; but not on the statute books, because conditions are different in each case. I would rather see those children where there's an argument about religion placed in foster homes -- there are still good foster homes -- for two reasons. First of all, they are sure that a foster home could perhaps take better care than adoption; and secondly, in case the mother or the father goes through a rehabilitation, because most of the children are taken away -- they're not all coming from unwedded parents -- a lot of them are taken away from the family because neither the mother or father are suitable to take care of the child. In many cases, the mother a year or two later -- sometimes they go to gaol; sometimes they go to the Mental Hospital -- and then later on they want their child back and it should be in the interest of many mothers who want their child back to be able to take it, providing of course, the mother is fit to take care of it. If you put it in a foster home she has an easier way of bringing the child back or taking it back because after all it's her child -- than if you give it away for adoption. Once it's an adoption, you don't know; you never know where a child is -- must forget the child. The motherly feelings towards her child cannot be weighed or measured either by a law on the Statute Books or even by a social worker. It cannot be weighed or measured, same as in sickness or something else.

So I feel that the elimination of this prohibitive law should be taken away. But at the same time I want to apologize, it's not for me to say, because the law chiefly, as far as my interpretation, applies to the two great religions existing in Canada. So I concur on the principle of it. I'm afraid to say any more because of being accused: What right have you got to interfere with the religion of the country, or the two great religions of the country. At the same time I have an interest. I have an interest among the Jewish children, and particularly I have had my experience for 30 years at the Jewish Orphanage where we had 125 or 150 orphans there -- half-orphans -- neglected children. I've been there for about 30 years; I've seen and spoken to these people. So I'm just expressing my own personal opinion, with an apology to the House for interfering with other religions.

MR. JOHNSON (Gimli): Mr. Speaker, I would just like to say a few words with respect to some of the comments that have been made by the Honourable Member from Selkirk and, with all due respect to his intent, I wonder if some of his remarks might not have left an impression that wasn't just what I had explained in my time when dealing with this type of problem in the Province of Manitoba.

As the Honourable Member from Inkster said, probably with the advent of lawyers in Manitoba our problems in the adoptive field became more complex, because I know back in the old days in my constituency it was an unwritten rule amongst the people in that area that when anything happened to parents there was no question -- the children were adopted by neighbours and friends and brought up as one of their own. As we become more civilized we create large problems for ourselves, but I do think that there are very many positive things that can be said about the legislation in this province, and especially the legislative amendments that were brought in last year, which corrected something which had developed.

Now let's remember that in the early 1940's, 80% of our neglected children were in institutions. This figure has been reversed, I think at the most it is around 20% are in institutions; the rest are in foster homes. Through our Children's Aid Societies we have, as I understood it, one of the finest systems and organizations in Canada. Now the sections on the prohibitions in Section 131 of the Act was always based, and it was practised for 40 years in this province, that the parent had the right to determine the religion of the child at the time

(Mr. Johnson, (Gimli), cont'd.) she gave up the child. And then, as we recall, there was a decision of a chief justice of Manitoba that the baptism was the determining factor. I would point out that last year, with consent, we brought in amendments rectifying this decision or placing back the former intent that has been altered by the decision of the chief justice. I brought out to the Committee last year the point that many adoptions which were in the process of being finalized were placed in jeopardy by the decision of the court; and we had to bring in legislation, as you recall, to rectify that matter.

I would also point out to the Honourable Member for Selkirk that in the first year that I was Minister of Welfare we had to hire an extra lawyer. At that time we finalized 785 adoptions, I think it was, in 1959. I think the figures he's given us tonight, as he's pointing out, is the increased case load that is facing us with an increasing population and so on.

I also want to point out that where you say we have the third highest illegitimacy rate in Canada, you must remember that we have the highest proportion — 45% of our population who are of Indian and Metis extraction, where a great incidence of this nature is encountered; and I suggest is probably one of the major reasons for Manitoba's position here.

I would also point out that our legislation last year corrected the matter of private adoptions being effected and then the Director of Welfare being called in at some later date to approve something which had happened in the past where he had had no opportunity to judge the type of home. We streamlined private adoptions and thought by this legislation we would eliminate any danger of black markets.

We also corrected those that were in jeopardy because of the decision of the courts, and made it perfectly plain that the parent has the right to determine the religious upbringing of the child and that the mother could, at the time of the adoption, make this decision. Also, in unmarried mothers approached by prospective parents before the child was born, we said there has to be a ten-day waiting period before the mother can give her consent; and then the Director has to be notified so that he doesn't get into an embarrassing position later on in being asked to approve something that had been going on for some time.

I think it was really because of the drastic interruption and reversal in procedure that we brought in the '61 amendments last year. This amendment is contained in Sections 5 and 6 of that bill and simply makes it unmistakably clear that at the time the mother is disposing of her child by adoption consent, she has the right to decide the religion in which that child should be reared. Also in this right is the right to state that she has no preference and leaves the situation up to the child-placing agency. It is also clear in the amendment that a parent has the right to make the same decision as to preference at the time the child is removed by the court from the care and custody of the parent and when the child is before the court as a neglected child.

Now any amendment which is proposed by the Member from Selkirk -- this amendment would completely remove the right of the parent to determine the religious upbringing of his or her child and would place the state in the position of choosing this religion. The way I feel, in the Province of Manitoba today, with the amendments which were effected last year, and taking all religious practices which have developed over the years into account, that I would, on the basis that things are operating today, that I would oppose the bill on these grounds. We are making progress and I feel, with the concessions given last year by the various religious denominations, that we see how we carry on for the next year or two in any event and see what our picture shows at that time.

MR. DOW: Mr. Speaker, I beg to move, seconded by the Honourable Member from Gladstone, that the debate be adjourned.

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

MR. ROBLIN: Mr. Speaker, I think it's 11 o'clock and I'd be prepared to move the adjournment of the House. I move, seconded by the Honourable Minister of Education; that the house do now adjourn.

Mr. Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 p.m. Friday afternoon.