

MANITOBA BUDGET

AND ECONOMIC REVIEW

1961

*"The most essential condition
for our progress is confidence..."*

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Friday, April 7th, 1961

MR. SPEAKER: The Committee of Ways and Means.

BUDGET STATEMENT AND ECONOMIC REVIEW
BY THE HONOURABLE DUFF ROBLIN
PREMIER AND PROVINCIAL TREASURER OF MANITOBA
1961

Mr. Speaker:

This marks the third occasion on which I have been privileged to place before this House an accounting of the Province's financial affairs for a year past and a summary of the plans for the new year. I begin with a review of the economic conditions that prevailed over the past year and give an appreciation of the outlook for the succeeding twelve months. Against this background, the references to Departmental and Agency activities will assume their proper place.

Manitoba's economy continued to display substantial and diversified strength throughout 1960. As on the two past budget days, I am able to report that we fared more favourably in many respects than did much of the rest of Canada over the past year. However, we do not and must not overlook the fact that no region of this country can long sustain progress while other regions find the pace of economic development difficult. There must be a sustained growth nationally if any one region is to benefit over the long-term period.

The evidence of a serious imbalance in the Canadian economy in recent months can have a fundamental influence on Manitoba's economic situation, through both the weakening of incentives for private expansion and through the constrictions placed upon provincial public programmes and upon municipal development.

I have prefaced my general economic review with these remarks, offered in the interests of realism. They are not in any way indicative of any lack of confidence on this Government's part as to the future of the Province and her potential for progress. The evidence of soundness and resilience in our economy is much too strong to permit even the most deliberate pessimist any room for doubt as to our capacity for the future.

THE ECONOMIC OUTLINE

The Provincial economy has passed from the buoyancy evident in the early weeks of 1960 to a period of adjustment with the slower pace of the national and continental economies. The Gross National Product grew by less than 3 per cent during 1960 - to about \$35.5 billion - as compared to the 6 per cent growth recorded in 1959.

Even so, there were but few evidences of decline in Manitoba's economic activity. There were many indications of continued growth - growth widely spread across the community - contributing to the increasing, diversified strength of our economy.

New capital investment in the Provincial economy increased in total by about 6 per cent between 1959 and 1960, moving upward from \$484 million to \$513 million. This increase was concentrated in the public investment sector with \$29 million more than the total estimated for 1959 being invested in 1960 by government departments, institutions and utilities. Total investment for both new equipment and plant and for repairs and maintenance to existing equipment and facilities totalled to over \$681 million in 1960 as compared to \$652 million in 1959 - an increase of 4.5 per cent, according to present Dominion Bureau of Statistics estimates.

In the construction sector, Manitoba did better than the rest of the country taken as a whole. More multiple dwelling units were built during the year offsetting the decline in single dwelling unit starts. Commercial building continued at high pace throughout 1960. While there has been less construction carry-over into the first part of 1961, conditions in the housing market are tending to stabilize.

In other areas of economic activity within the Province, the levelling off of investment was also reflected in a slowdown in production schedules. At the beginning of the year it had been hoped that in 1960 Manitoba's manufacturing sector would reach an annual shipment value of over \$800 million. Indeed, for a good part of the year it seemed quite possible that we would

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	1,550	- 1.5	31,773	3.9
1958	1,669	7.7	32,606	2.6
1959	1,757	5.3	34,593	6.1
1960*	1,805	2.7	35,500	2.6

* Projected.

Source: Treasury Department.

MANITOBA'S PROVINCIAL OUTPUT
GROSS VALUE

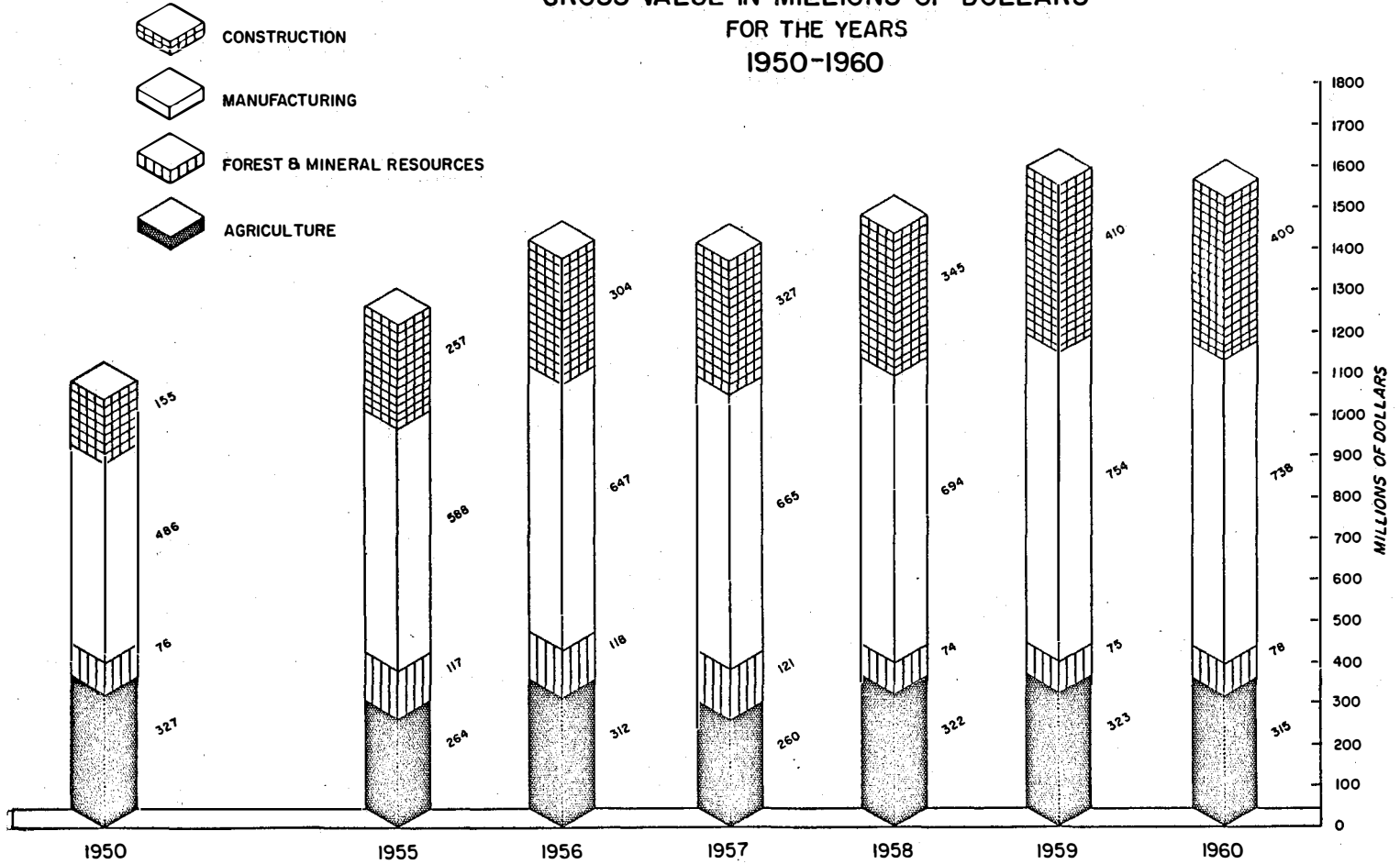
(Millions of Dollars)

Year	Agriculture	Forest and Mineral Resources	Manufacturing	Construction	Total
1950	327	76	486	155	1,044
1951	351	80	551	183	1,165
1952	364	78	574	199	1,215
1953	284	73	585	246	1,188
1954	250	84	571	241	1,146
1955	264	117	588	257	1,226
1956	312	118	647	304	1,381
1957	260	121	665	327	1,373
1958	322	74	694	345	1,435
1959	323	75	754	410	1,562
1960*	315	78	738	400	1,531

* Estimated

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

MANITOBA'S PROVINCIAL OUTPUT GROSS VALUE IN MILLIONS OF DOLLARS FOR THE YEARS 1950-1960



ESTIMATED GROSS VALUE OF SHIPMENTS
FOR MANITOBA MANUFACTURERS
BY INDUSTRIAL GROUPS

(Thousands of dollars)

Industrial Group	1958	1959*	1960*
Food & Beverages	275,042	298,492	292,540
Electrical Apparatus & Supplies	13,901	15,098	14,766
Transportation Equipment	52,468	57,359	56,176
Miscellaneous Industries	8,967	9,806	9,598
Textiles	9,569	10,550	10,336
Clothing	47,212	51,331	50,258
Leather Products	5,102	5,320	5,168
Rubber Products	53	75	74
Wood Products	31,516	33,909	33,266
Paper Products	37,091	40,028	39,183
Printing, Publishing & Allied Industries	35,500	38,431	37,706
Products of Petroleum & Coal	57,632	62,689	61,362
Chemicals & Allied Products	17,747	19,592	19,196
Non-metallic Mineral Products	23,156	24,867	24,406
Non-ferrous Metal Products	10,724	11,303	11,075
Iron & Steel Products	68,371	74,690	73,207
TOTAL:	694,051	753,540	738,317

* Estimated.

Source: Department of Industry & Commerce.

(Mr. Roblin, cont'd.)....reach this goal. However, preliminary reckonings for the entire twelve-month period indicate that the general decline in the Canadian economy last year had its effect on Manitoba's manufacturing output, particularly in the third quarter of the year.

Once again, in 1960, Manitoba's retail sales reflected greater strength than most other regions in Canada. With an estimated \$827 million in retail trade value during 1960, we have marked the sixth straight year in which the Province's retail transaction value has increased over the preceding period. Much of the increase last year was again effected in the service industry sector as the Province continued to diversify its economy.

It is significant that in 1960 personal incomes continued to rise. The aggregate income earned by Manitobans is now estimated at \$1,365 million for 1960 - up some \$45 million over 1959. Bank deposits were at a higher level than ever before. Funds for consumption purposes were thus available. Prices remained reasonably stable throughout 1960 in both the retail and wholesale sectors. The improvement in the Province's retail trade can, therefore, fortunately be attributed to a volume increase rather than to inflation, although the expansion was modest by comparison to growth in previous years. New life insurance purchases in the Province are nearing an annual level of \$200 million and bank clearings approached the \$20 billion mark in Manitoba last year. All these factors gave impressive evidence of the continuing confidence in the economy on the part of most Manitobans.

Substantial new investment continued within Manitoba's economic community. New food processing activities, new chemical operations, additions to light manufacturing production in a number of fields, a large number of new service industry installations, and a considerable number of new mixed commercial operations began during the year. These additions to our economic fabric help explain the continuing relative strength of Manitoba's employment conditions.

In Manitoba, we were able to record gains in new employment during the 1960 period and our unemployment experience was noticeably better than for much of the rest of the nation. However, as 1960 drew to a close, an estimated 4 to 5 per cent of Manitoba's more than 300,000 workers were unemployed. By mid-March the proportion of unemployment had increased to about 7 per cent of the labour force which is, indeed, a cause for concern.

I have made mention previously of the important role of new investment in our economic progress. Indeed, I cannot cite any other single factor in the economic activities engendered by both public and private policy more important than new capital investment in our plant, equipment and service facilities. New investment means new employment opportunities and these opportunities must be created as our population growth and other factors contribute to an ever expanding labour force. Much of the unemployment experience in Canada over the past year or more has, in fact, been attributable to an increase in the numbers in the labour force of the country greater than the increase in the number of job opportunities for these people. Job opportunities are created by new investment; they are sustained by continuing investment. Investment in repair and maintenance is also essential to the efficient operation of the economy, for it, too, means that more men continue to work at a steady pace as the fluctuations in new investment patterns take place.

Had it not been for the very high level of investment in the past two years, Manitoba's employment experience would have been much worse over the past months. Regardless of the general pace of the economy, we could not long sustain a short-fall nor even a lack of growth in investment activity without serious repercussions in our employment, income, savings and production.

The year 1960 was not a year of decline in our economy in real terms, but one of slowing down in the rate of economic growth - a period of consolidation of gains rather than one of sharp advance. The Gross National Product for Canada is, as I have indicated, estimated to have risen by between 2 and 3 per cent last year, but this has to be compared with a rise approximating 6 per cent in 1959. We have, in fact, come to require since the close of the Second World War an average annual increment in the Gross National Product in the order of at least 5 per cent to sustain the main balance of our economic prosperity. These factors explain the emphasis placed, by Governments, upon the practical necessity for new investments, particularly in periods when the economy shows signs of slowing.

Thus, with our total new capital investment from both public and private sectors averaging

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 cashd 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	1,123	- 0.3	736	↑ 5.1	725.8	↑ 3.7	174.1	↑ 23.0	13,641	- 2.4
1958	1,252	↑ 11.5	763	↑ 3.7	753.6	↑ 3.8	188.3	↑ 8.2	15,861	↑ 16.3
1959	1,320	↑ 5.4	832	↑ 9.0	812.9	↑ 7.9	191.4	↑ 1.6	17,200	↑ 8.4
1960	1,365	↑ 3.4	859*	↑ 3.2	826.7	↑ 1.7	197.5	↑ 3.2	19,100	↑ 11.0

* Estimated.

Source: Department of Industry and Commerce.

(Mr. Roblin, cont'd.).....well over \$485 million annually over the past two years, we have been able to sustain existing employment. In aggregate, this annual new investment of \$485 million, which may be measured against the current requirements of average annual wages and salaries, represents in broad economic terms new support in each year for between 30,000 and 35,000 potential employment units, for either immediate effect or future expansion of the work force.

However, in spite of these facts there has been an increasing level of unemployment. The nature of this phenomenon is becoming more clear throughout the North American economy. It is this factor which underlies the renewed emphasis on the need for training of properly qualified technicians and artisans of all types. More important still, this training must reflect the new techniques and approaches to production and distribution problems that are appearing in the economic scene at an ever increasing rate. Uneducated and unskilled workers are becoming increasingly difficult to absorb into economic activity everywhere and constitute the bulk of unemployment, as statistics illustrate only too clearly.

We believe that the representations of the Government played a part in the expansion of Dominion-Provincial retraining facilities and programmes, one product of which is the new technical institute to be started this year. Such educational and training activities are a necessary adjunct to the essential new investment programmes that I have emphasized previously. It will do us little good economically to create new opportunities if we are not able to establish a level of training and proficiency among our workers that will enable them to avail themselves of these opportunities.

Investment in the public sector has been maintained at high levels by Government policy over the past two and one-half years. Public investment has been providing new power, communications, transportation, and other essential community facilities at record levels. To an important degree this massive public investment has been necessitated by the need to overtake a considerable backlog from past years.

In addition, the provision of these public facilities has been made to attract and support increased activity in the private sector of the economy. We are gratified to note that an increase in private economic participation has, in fact, occurred, but we emphasize that it must be continued and increased. New enterprises have been attracted to Manitoba and their location assisted, in considerable measure, by the combined efforts of many Government departments, including the services provided by the Department of Industry and Commerce.

These new establishments have all directly benefitted the residents of Manitoba by creating employment on a full time basis for some hundreds of persons as well as part time seasonal opportunities for several hundred more. The purchase of Manitoba's raw materials to supply these plants will stimulate output of other sectors of the economy, particularly agriculture.

Community development corporations have been established with Government encouragement. Composed of local residents of rural municipalities, these organizations have as their fundamental purposes the creation of local employment and industry. The development groups have made a promising start in interesting potential new investors in the rural municipalities through their financial, moral and technical assistance. The potential investor finds that enthusiasm and co-operation in municipalities where these corporations exist is extremely encouraging and that a climate favourable to industrial development and growth is flourishing. The first such corporation was established in Morden in February, 1960, and to date 17 other communities have founded similar associations.

The Manitoba Development Fund has assisted in the growth of the community development corporations as well as in the general economic development of the Province. Direct loans have aided over 60 firms, individuals and community development corporations since December, 1958, benefitting both the Province and the firms involved. Through loans granted directly to investors or through the community development corporations, we have helped to industrialize the rural areas of the Province to the extent that 65 per cent of the loans authorized by the Development Fund were for establishments located outside of Metropolitan Winnipeg. To the end of the 1960-61 fiscal year, it has been estimated that loans to the extent of \$5 million will have been authorized.

The tourist industry in Manitoba - encouraged by Government support and promotion-

(Mr. Roblin, cont'd.).....continued to grow during 1960. It has been estimated that \$36.3 million was spent by tourists in Manitoba during the 1960 season, an increase of 5 per cent from the \$34.6 million tourist expenditure in 1959. To meet tourist needs, and to counter increasing competition elsewhere, \$4 million was spent during the last year on the expansion and improvement of existing tourist facilities or on new accommodations including motels, trailer parks, tourist camps, hunting and fishing lodges.

The overall outlook for the economy in 1961 justifies a reasonable degree of optimism, although it must certainly be tempered by a clear understanding of the full range of difficult long-term problems that challenge our progress in many sectors. In short, we have realistic confidence for the year ahead. Industrial production indicators show that the slide in activity during the second and third quarters of 1960 has been halted. Inventories are reasonably low and new orders are now beginning to appear in greater numbers.

Our Provincial population growth continues at better than 1,000 persons per month, and this indicates continued expansion of opportunities for Manitoba's service-oriented industrial economy. We have anticipated a population by mid-1961 of some 913,000 persons.

The Gross National Product, and the Provincial share, may be expected to resume a forward movement during 1961 that was largely absent in the last year. However, the rate of expansion in production and sales will be determined by many factors external to the Canadian economy. Most qualified opinion suggests that business activity will rise slowly throughout the first half of the year, and that the third quarter of 1961 should mark a resumption of new investment expansion on a moderate scale. The Dominion Bureau of Statistics estimates tend to support this view.

The Government of Manitoba will continue to invest public funds where it believes the most productive results may be obtained. We cannot stress too strongly, however, the essential partnership of effort of all segments of our economy that is necessary if our programmes are to reach their full promise for the progress of our Province.

AGRICULTURE

In reviewing the development of Manitoba's trade and manufacturing sector, we must not lose sight of the fact that Manitoba agriculture continues to provide between one-fifth and one-quarter of the direct value of production in the Province. In addition, the largest manufacturing grouping in the Provincial economy is devoted to the processing of foods and beverages, much of which draws directly upon provincial agricultural output or closely related activities. A considerable portion of production research in all Manitoba industries is aimed at the wider and more profitable use of products drawn directly or indirectly from the land. Manitoba's farms continue to be the base upon which many of our industrial, trade, finance, and service endeavours are being developed. Rural enterprise still supports over one-third of our Provincial population directly. Probably one-half of our people are involved, in one way or another, in their daily endeavours, with agriculture or with the processing of agricultural output. Over a quarter of a billion dollars annually is involved in the processing, packaging, and distribution of food and other farm produce in this Province.

To the urban businessman the rural customer makes a significant contribution to sustaining the commercial volume and profit level of his business. The farm in Manitoba is the best supplier and often the best customer of a great share of Manitoba industry. Industries use the pool of stable labour and the reliable skills of the farm residents who are able to leave the land for a part of the year or, eventually, to take training as industrial workers in our economy.

Integration and balance between agriculture and industry is part of our economic strength in Manitoba - balanced and integrated rural-urban economic progress explains much of this Province's stability during recent economic swings. But we must emphasize our concern for the unsatisfactory state of net farm income. While productions has held well, net farm income continues to lag behind the net income of the economy as a whole. The gross value of agricultural production in 1960 has been estimated in preliminary returns at approximately \$315 million. The year 1960 was the third in succession to have recorded gross agricultural output of more than \$300 million. However, we must continue to press those measures which will give to the farmer a more substantial share in our economic benefits.

Farm production marketing is expected to hold steady in 1961. There may even be, in fact, some moderate gains.

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

	1958	1959	1960
Agriculture	322,694	323,247	315,300
Minerals	57,066	55,507	56,788
Forest Products	17,000	19,000	21,000
Furs	5,366	5,059	5,439
Fisheries	5,935	6,254	6,507
Resource Output	408,061	409,067	405,034

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

MANITOBA AGRICULTURAL PRODUCTION, 1950-1960.

<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

* Including allowances for seed, grain, etc. fed to stock.

** Estimated.

Source: Department of Agriculture.

(Mr. Roblin, cont'd.)....The Manitoba Agricultural Credit Corporation has lent approximately \$10 million since its inception two years ago and loans amounting to approximately \$5 million annually are now being made. The 332,000 acre, \$4 million crop insurance programme in the four test areas during the past year was successful. This programme - involving 2,500 farmers last year - can materially affect the future development of agriculture in Manitoba through wise and judicious extension of the insurance plan, in co-operation with the Federal authorities who participate in the cost of the programme.

Farm business groups continue to train young farmers in farm management. Because it is extremely difficult for a farmer to leave his business to acquire this training, it has been the policy of the Government to take the specialist to the farmer. A four year course is at present being given to over 400 young farmers representing 15 communities of the Province. Plans are to increase this number at a rate of approximately 100 farmers per year. It is hoped that over 1,000 farmers in 35 centres will eventually participate in the farm business group programme.

Our Water Control and Conservation Branch is providing new potable water facilities for the agricultural community in Manitoba. The Branch has moved to reduce flood damage and the losses associated with it. In the first full year of operation by the Water Control and Conservation Branch, a \$5 million water control programme was commenced. Aid was also given to municipalities and unorganized areas and work was undertaken in drainage districts aggregating \$1.5 million in value. The drainage works programme completed last year was the most extensive on record.

A million dollar capital programme for the construction of soil and water control works throughout the Province was advanced with the award of 13 contracts for the construction of floodways, drains, bridges and dams.

The Manitoba Water Supply Board completed its first project in 1960 with the construction of an 8 mile pipeline from Neche, North Dakota, to Altona, Manitoba. The Greater Winnipeg Floodway Property Committee established in mid-1960 to purchase and manage land required for the construction of the 30 mile flood diversion channel for the Red River around Metropolitan Winnipeg, has made substantial progress towards the purchase of the more than 650 floodway properties.

The Minister of Agriculture has been instrumental in bringing about a major event - a National Conference on Farm Policy Research. A steering committee for such an organization has been created and it may be expected that a substantial attack will be made upon one of the big problems facing farmers today -- the need for expanded and improved markets.

A continuing economic land classification study of Manitoba by a team of Federal-Provincial agricultural specialists will determine the highest agricultural use for land in the settled parts of the Province. This information is most important in the formation of sound agricultural policy.

POWER AND COMMUNICATIONS

During the past year, large sums of money have been borrowed to invest in power and telephone communications facilities to meet our growing needs. Without adequate provision for power, our urban development would be halted, our industrial expansion would be impossible, and the increasing technological improvements in agriculture would be seriously retarded.

The Manitoba Power Commission added 7,290 customers last year, including 400 at Churchill. Electrical energy distributed during the calendar year increased 6 per cent to 1.7 billion kilowatt hours. During the same period the Manitoba Power Commission's capital investment in transmission and distribution facilities was increased by some \$8 million.

The Kelsey Hydro-Electric Generating Station went into operation in June to supply Thompson and its great mine. The Manitoba-Saskatchewan inter-connecting service provided for The Manitoba Hydro-Electric Board by the Power Commission was completed and placed in operation during the past year and has already proved its value.

To accommodate our growth the facilities of the former Manitoba Power Commission will require investment of some \$9.0 million in the coming fiscal year by The Manitoba Hydro-Electric Board.

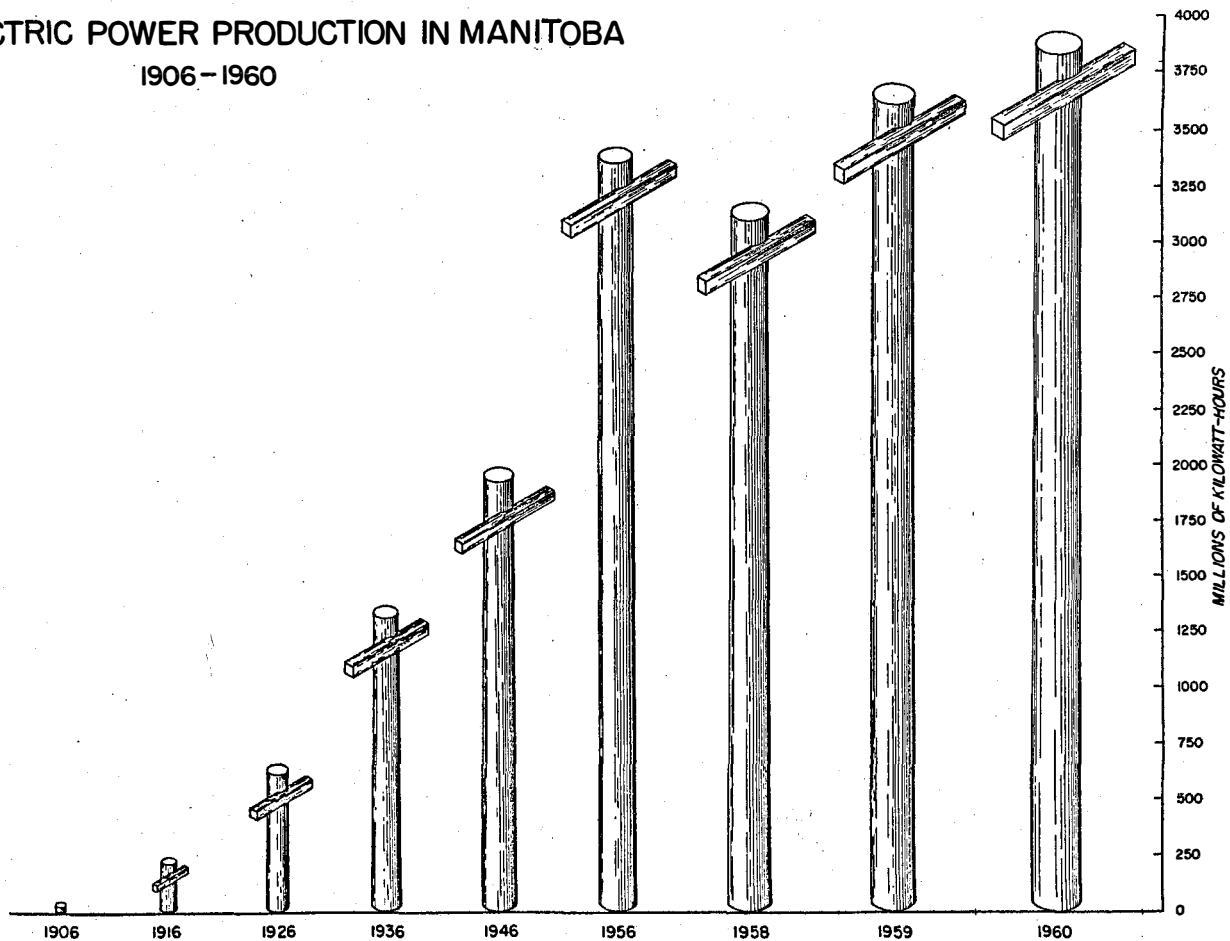
Last year the Manitoba Telephone System installed nearly 14,500 new telephones, which

HYDRO-ELECTRIC POWER PRODUCTION 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	3,624,886	31,174
1960*	3,824,888	32,894

* Source: Manitoba Hydro-Electric Board. Previous years' data from Dept. of Mines & Natural Resources.

HYDRO ELECTRIC POWER PRODUCTION IN MANITOBA 1906-1960



(Mr. Roblin, cont'd.)....brings to over 281,000 the system owned telephones in operation in the Province. Long distance traffic increased 7.3 per cent last year with over 7 million messages being handled. Also during 1960, another 10,000 additional miles of long distance message circuits were established for land line and radio carrier systems. Capital investments by the Manitoba Telephone System for this expansion in plant and equipment during 1960 totalled about \$10 million with a \$16 million investment planned for 1961-62. Subscriber dialing for long distance calls and the early conversion of all Manitoba services to automatic dial operation are examples of our modernization programme.

The expansion in power transmission and telephone communications networks during 1960 was supported by growth in basic power output. The Southern Manitoba Power System of The Manitoba Hydro-Electric Board produced over 3.4 billion kilowatt hours for an increase of 5 per cent over the previous year. Another 70 million kilowatt hours from Kelsey in the Northern System brought total output for the Province in firm energy for 1960 to nearly 3.5 billion kilowatt hours - about 7 per cent above 1959.

Two generating stations under construction during the last several years - Selkirk and Kelsey - were brought into commission in 1960, adding 284,000 kilowatts to the total capability of The Manitoba Hydro-Electric Board. Construction work for the new generating station at Grand Rapids will create an installed capacity of 335,000 kilowatts by the latter part of the 1960's. A value of some 8.6 mills per kilowatt-hour was placed on all electrical energy generated during 1960, for a total value of electrical contribution to the Province and its economic growth now approaching some \$33 million. At the end of the last fiscal year the value of facilities under the control of The Manitoba Hydro-Electric Board had increased by nearly \$30 million over the preceding period. A substantial part of the Province's major effort in development of our economic resources has been represented by the work of The Manitoba Hydro-Electric Board. Its capital programme for the next fiscal year will not fall far short of \$30 million in addition to that which is being spent on former Power Commission account. By these major developments we have continued to build the support for new industrial expansion in a diversified range of activities throughout Manitoba.

The Manitoba Hydro-Electric Board and The Manitoba Power Commission are now one - a step designed to provide the most effective and economic administration of the power resources in this Province.

HIGHWAYS

The provision of adequate and efficient highways, roads and streets must also be considered one of the prime prerequisites for economic advancement. During the last fiscal period, the Province continued its programme of development and improvement in the Provincial highway system and, through aid to local governments, has supported the continued improvement and expansion of municipal road systems. Some 840 miles of major highway construction will have been completed by the end of the 1960-61 fiscal year. A further 1,045 miles of subsidiary work will also have been completed during the period to bring the total for all types of road work by the Department of Public Works to nearly 1,900 miles during the 1960-61 fiscal period. All work has been advanced with the improved standards of construction adopted by the Government.

The Government has under review a major planning document - The Highway Needs Study - prepared under the direction of the Automotive Safety Foundation, comprising acknowledged experts in this field. This will provide a new basis for the Province's highway programme in the future. The report indicates that Manitoba's past highway programmes and policies have proved seriously inadequate in giving us a road network satisfactory for 20th century standards. Its most modest proposal calls for a sustained investment over a long term of new road construction, and particularly of road reconstruction on a scale never before contemplated. The proposal calls for the expenditure of hundreds of millions of dollars. These recommendations put our long term road building plans in an entirely new perspective and create new problems of finance and of policy.

OTHER RESOURCE PROGRESS

The mineral industry in Manitoba maintained satisfactory levels of activity, in exploration, development, and production, in 1960.

(Mr. Roblin, cont'd.)....Shipments of zinc ore from Chisel Lake to the smelting plant at Flin Flon commenced last year. Development continued at the copper mine at Stall Lake. Production of nickel commenced at Thompson where the refinery is expected to be in production during 1961 in the only fully integrated nickel-producing operation in the world. All stages of production, from mining of crude ore to casting of refined nickel, are to be carried out at a single plant site.

The estimated value of total mineral production in Manitoba in 1960 was slightly higher than that for 1959. Increases in metallic and industrial mineral production more than offset a decrease in oil output. The most notable increase in output was shown by zinc, as a result of shipments from the Chisel Lake mine. Silver output increased in 1960 and lead was produced for the first time in Manitoba, both being found in the Chisel Lake ore.

As the nickel-producing operations at Thompson are expected to enter full-scale production in 1961, the present year should witness a notable increase in the value of metals produced in Manitoba.

Production of commercial fish reached 31,049,100 pounds -- above the ten year average of 30,850,000 pounds. The 1959-60 season's fish production was marketed for over \$6.5 million as compared to the previous year's production value of less than \$6.3 million. Two modern fish processing plants were started during 1960 - one at God's Lake and one in Winnipeg, adding stability to the industry and helping to improve the quality of the product. The Government continued its fisheries research programme to gather the necessary information for better management and utilization. Sport fishing continued to attract tourists to the Province.

The general level of wild fur production was up from the previous year and prices on some species showed marked improvement. Production of pelts on fur ranches also increased considerably and the average value per pelt rose as well.

The value of Manitoba's primary forest production for 1960 has been estimated at \$21 million - up \$2 million from 1959. Timber production increased by 31 per cent over the previous year with the favourable logging conditions in the past season as compared to unfavourable conditions in the previous year or so. Newsprint production dropped slightly in 1960, but the production of pulpwood increased by 42 per cent. The operation of two plants producing asphalt shingles and wallboard has broadened an outlet for pulpwood, particularly poplar. The new particle board plant now under construction at Sprague will consume considerable quantities of poplar too small for lumber production and otherwise largely waste.

The Government is continuing its programme to develop recreational areas throughout the Province. The extensive use of these facilities by residents and tourists alike indicate the public's satisfaction with the quality of services provided.

CONTINUING SUPPORT AND DEVELOPMENT OF HUMAN RESOURCES

Our policies for human betterment are proving themselves more and more as the programmes grow and develop. The reforms in education, the expansion in technical training and instruction, the development of university facilities at Winnipeg and Brandon - these advances speak for themselves.

Our allied policies in the fields of social welfare and health are also meeting the needs of our people with increasing effectiveness.

EDUCATION

With two full years now completed under the school division plan, we are able to report outstanding progress in the new programmes and facilities. During the 1961-62 fiscal period we plan to spend, on education, a total of some \$37.1 million. This will require 35.0 per cent of the Provincial revenue as compared to 28.4 per cent for education three years ago. The 1961-62 educational expenditure represents an advance of \$12.9 million or 53.3 per cent since 1958-59. Our investment includes support for libraries, research, vocational training, special education and all of the other demands of educational development from public school to university.

For the past two years the new school aid programmes have been providing the principal means by which overdue improvements and extensions of local education have been advanced.

(Mr. Roblin, cont'd.)....Overall construction in the school system supported by the financial policies of this Government has reached a value of approximately \$50 million in the period for which we have held office. This has provided some 2,090 new high school rooms and their equivalents in every part of our Province, as well as about 1,200 new elementary classrooms.

The new high school system is providing increased technical educational facilities in various parts of the Province. Funds for the commencement of the construction of a new Institute of Technology will also be advanced this year. In addition to university bursaries and other student aid, we are providing the highest level of support in our history to the University of Manitoba and Brandon College.

We urge continued interest of every individual private citizen for educational activities at every level throughout the Province. There is no more vital single aspect of our community life. Our continued success and progress in this Province, in the national community, and in the wider affairs of the world community depend upon the way in which we help our children to prepare for the challenges of life in the 20th century.

HEALTH

The Report of the Manitoba Hospital Survey Board marks a milestone in our plans for giving good hospital care to our people. If adopted, its recommendation that \$35 million of new facilities be built in the next few years presents a serious problem in public finance. Though the Provincial share of the capital money needed is only a part of the total sum, the effect of new construction on hospital operating costs is indeed obvious when we know that each new bed is now estimated to cost \$5,700 per year merely to operate. While good hospital facilities are a necessity it is also clear that new sources of revenue will be required to pay for them if we are to deal equitably with hospital premium-payers in the low income groups.

Other health measures have been improved over the past year, including the services rendered by the health units which have been expanded to cover wider areas and increased population. The new community mental health service proposed for the coming year represents a decisive break-through toward better and more modern concepts of mental health care.

SOCIAL WELFARE

The new social allowances programme in Manitoba introduced by this Government and brought into the first stage of its operation last year is giving a gratifying measure of necessary assistance to those in need and indeed it is being used as an example by other provincial governments. Further development is proposed in the coming year.

The Province has also given emphasis to the provision of medical care to those of our population who have been unable to provide this essential in times of illness. Physical dislocation as a social burden has been greatly eased through the "medicare" programme. Over 15,000 beneficiaries of social allowances received essential health services formerly denied them by economic circumstances. The "medicare" programme now supplies medical and dental care - including eye glasses, drugs and appliances - to those in need. The co-operation and assistance of the professions concerned has aided greatly in making this programme possible.

Among our conservation programmes for human resources, the community development experiment is a special and urgent approach to the needs of our Indian and Metis citizens. Our initial placement during this year of community development officers in Grand Rapids and Norway House will be extended.

PROVINCIAL-MUNICIPAL CO-OPERATION

Throughout 1960-61, to the extent that it has been possible, the Provincial Government has continued to assist the municipalities in financing their essential projects. The financial capacities of our local communities have continued to increase and local government in Manitoba faced 1960 with assessments valued at over \$1,070 million. Taxable resources available to Manitoba municipalities are now about double those of a decade earlier.

A notable contribution to the increased capacity of municipal government to meet its obligations and to provide extended and improved services has been the substantially increased Provincial support provided since this Government came to office two and a half years ago. For 1961-62, it is our intention to continue this high level of assistance for local development.

(Mr. Roblin, cont'd.)....This aid will take many forms. Support for local education is expected to surpass \$26.5 million in the coming year as compared to \$15.8 million in 1958-59. This is a more than two-thirds increase during our term of office. Local drainage and conservation projects, local road work and welfare programmes have all received greater support from both Provincial programmes directly and through Provincial-Municipal co-operation under which the Province has assumed a greater share of the many co-operative undertakings in the field of health and social aid.

These combined programmes of direct and indirect assistance to local development by the Province are approaching \$60 million per annum. In total, the impact of the Province's municipal support measures has been increased by \$16.6 million since 1958-59 - an average increment of \$5.5 million annually. In direct aid alone, over \$9 million additional support has been made available to local bodies in the past three years as the direct grant totals have risen from \$33 million in 1958-59 to \$42 million estimated for 1961-62.

Mr. Speaker, for every dollar accruing to the Provincial Treasury today, we pay out over 50 cents in direct and indirect support of local government. This is indeed a sincere recognition on our part of the needs of our municipalities and we shall extend the policy just as far as we are able to do so.

We will continue to meet, in these practical ways, the essential needs of local development, while at the same time we confidently expect the continued constructive co-operation of local authorities in the development of Manitoba.

DOMINION-PROVINCIAL RELATIONS

This year just past has been one of considerable activity in the field of inter-governmental relations. While there have been disappointments, there have in turn been compensation. I undertook to report to the legislature on this question and will now take this opportunity of so doing.

The present financial arrangements which are embodied in the Federal-Provincial Tax-Sharing Arrangements Act of Canada, expire on March 31st, 1962. It has been evident that some decisions would have to be taken during the fiscal year 1960-61. The most significant event of the period was the resumption of the plenary discussions in July, 1960. -- And I interject to say that the statement that I made at that time will be tabled in the House. -- Manitoba's case was concentrated on the economic needs of the provinces and municipalities and their essential part in the scheme of national development. We continued to lay emphasis on the just distribution of mutual revenue sources and on the principles of high levels of equalization and stabilization. As well, we emphasized the need of a greater consideration for the capital needs of provincial and municipal governments and for more co-ordinated planning in the joint development of our national wealth.

It was soon evident that the Government of Canada was not prepared at that time to set forth its own position on the question but left the clear impression, in general terms, that if the provinces wanted more revenue they must be prepared to raise it as they could.

The conference adjourned on this note until October when it resumed its meetings "in camera". On this occasion a suggestion was put forward by the Dominion Government to which I found it necessary to object in the strongest terms. First there was no indication that the Federal Government was willing to consider any revision in the share of the rented tax fields to be assigned to the provinces. But even more undesirable to Manitoba was the proposal that Canada placed before the meeting for the "freezing" of equalization and for an ineffectual form of stabilization that would have prejudiced the whole basis of the fiscal relationships built up over these past 20 years. This was, indeed, a regressive step quite contrary to our best interests. Our contention that any effort to "freeze" equalization at a specific amount was a denial of its basic principles, received the approval of nearly all the provinces.

To convert the present equalization payments, which are automatically attached to the standard tax returns under the present arrangements, into some substitute form of stabilization assistance or to convert them into fiscal aid grants would be to reverse the direction which Federal-Provincial financial relationships have taken since the time of Rowell-Sirois. That this change was unacceptable to Manitoba was made perfectly clear.

It remains the contention of this Government that no single concept in the field of

(Mr. Roblin, cont'd.).... Dominion-Provincial fiscal relations is as important as that of equalization. It is the embodiment of economic and fiscal justice which we in Manitoba, regardless of party, have demanded as a right -- not as a concession.

As Honourable Members know, the Conference reconvened in late February. I am glad to be able to report that the formal presentation made by Canada at that time - which appears to be their final proposal - showed a real measure of appreciation for this Province's views. There can be no doubt of the improvement over the proposal of October. As on February 27th, I read the Federal proposals into the "Debates and Proceedings" of the House, there is no need for me to repeat them at this time. I can say, however, that the effect of these proposals continues to have our attention, for they are complex and will require extensive technical study before steps can be taken to bring them into effect through legislation.

In casting up the advantages and disadvantages for Manitoba of the Federal proposal, I think this much at least may be said:

The decision to give the provinces a larger share of the personal income tax field - increasing progressively from 16 per cent to 20 per cent of the Federal tax over the 5 year term of the agreement - is a distinct improvement over the 1957 arrangement of 10 per cent and the subsequent modification in 1958 to 13 per cent.

The new equalization formula has both positive and negative aspects. It is to our advantage, and we think generally right, that 50 per cent of the gross yield of provincial natural resource revenues should be added to the formula. It was obviously inequitable to leave this out of account when attempting to equalize revenue positions among the Provinces. In Alberta, for example, the per capita yield from natural resources in the year 1958 was \$98.52, while in the Province of Manitoba it was \$4.29, and in Prince Edward Island 23 cents. On the other hand, the lowering of the equalization level from the average of the top two provinces to the Canadian average would, by itself, seriously impair Manitoba's position. However, the inclusion of a floor under the equalization calculation which would ensure that Manitoba would do at least as well under the new agreement as under the old, if the latter were extended, effectually preserves for us most of the advantages of the old system. The other provisions for stabilization preserve our present relative position in this respect.

Though the new proposal moved from a Tax Rental to a Tax Collection arrangement, the fact that the Federal Government has offered to act as our collector without charge is not only advantageous to the government of the Province but should go a long way toward eliminating the nuisance of the form-filling aspect of two tax systems.

The Tax Collection arrangement also makes it possible for provinces to vary tax rates at will from the standard rates agreed upon. This freedom of action, used with realism and discretion, may prove to be necessary in the future.

In assessing the impact of the new proposals on the revenues of the Province, I have prepared a table which I hope may give useful comparisons. The first set of figures indicates the estimated return to the Province under the original agreement of 1957 if that agreement had been extended for the next 5 year period and if there had been a 5 per cent annual increase in the Gross National Product. The second set of figures indicates the estimated income that would have been derived from an extension during the next five years of the agreement of 1957 as modified by the amendment of 1958 which increased our share of the personal income tax to 13 per cent. The final set of figures shows our estimate of what the new plan will produce over the same period and under the same circumstances. The projections in the table differ from the Federal data in that we have allowed for population change and have applied growth factors to the tax yields only rather than to the amount of the aggregate annual payment.

On the whole, I think it may be said that the new plan does Manitoba no harm at the present, and in the later years of the agreement it is likely to do some good through moderately increasing Provincial revenues. The chart indicates that there is an increase of several million dollars to the advantage of the Province of Manitoba in the life of the new proposals as compared to the amended agreement of 1957. And, of course, as compared to the original agreement of 1957, it is markedly superior in terms of its revenue yield to the Province of Manitoba. It is, nevertheless disappointing, and I say this frankly, that the Province is to receive no immediate increase in the new proposals as compared to the old agreements.

Time will determine the wisdom of the significant changes from the path trodden these

HYPOTHETICAL PROJECTIONS* OF MANITOBA'S COMPARATIVE REVENUES
 UNDER TAX-SHARING ARRANGEMENTS WITH THE GOVERNMENT OF CANADA
 1962-63 TO 1966-67.

(Thousands of Dollars)

	Original 1957 Agreement 10-9-50	Original 1957 Agreement As Amended 1958 13-9-50	New Federal Proposal
1962-63	38,318	41,605	41,605
1963-64	40,234	43,403	43,403
1964-65	42,246	45,266	45,300
1965-66	44,356	47,188	48,300
1966-67	46,576	49,236	51,700

* Estimated by projection from 1960-61 Federal data on the assumption of an extension of current population trends and approximately 5% annual rate of growth in the general economy. These differ from the Federal projections in that they include a population increment, and escalate the tax yields only rather than the total annual payments.

Source: Treasury Department.

MANITOBA'S REVENUE UNDER
DOMINION-PROVINCIAL FINANCIAL ARRANGEMENTS*
FISCAL YEARS 1957-58 TO 1961-62

(Thousands of Dollars)

	1957-58	1958-59	1959-60	Revised Estimate 1960-61	Preliminary Estimate 1961-62	Percentage Change 1961-62 over 1957-58
STATUTORY AND TAX-SHARING REVENUE:						
Statutory Subsidy	2,032	2,032	2,065	2,054	2,054	
Tax-Sharing Arrangement	32,350	33,202	39,427	40,067	39,000	
50% Share of Income Tax on Power Utilities	<u>61</u>	<u>46</u>	<u>45</u>	<u>27</u>	<u>30</u>	
	<u>34,443</u>	<u>35,280</u>	<u>41,537</u>	<u>42,148</u>	<u>41,084</u>	<u>/ 19.3</u>
COST-SHARING CONTRIBUTIONS:						
Agriculture and Conservation	32	95	482	402	2,395	
Health	2,179	2,165	2,784	3,561	3,409	
Hospital Services ¹	-	4,734	11,241	13,330	15,191	
Welfare	2,588	3,550	5,079	5,917	6,311	
Vocational Training, etc.	321	347	465	671	716	
Highways and Transportation	2,727	2,791	2,386	2,925	2,475	
Natural Resources	111	223	407	263	260	
Civil Defence	<u>24</u>	<u>61</u>	<u>75</u>	<u>170</u>	<u>159</u>	
	<u>7,982</u>	<u>13,966</u>	<u>22,919</u>	<u>27,239</u>	<u>30,916</u>	<u>/ 287.3</u>
TOTAL RECEIVED FROM THE GOVERNMENT OF CANADA:	<u>42,425</u>	<u>49,246</u>	<u>64,456</u>	<u>69,387</u>	<u>72,000</u>	<u>/ 69.7</u>

* 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.

(Mr. Roblin, cont'd.)....past several years. The Provinces must, I suggest, give these a fair trial. We hope that under the new arrangements fiscal co-operation will be maintained and improved. But we must continue to press for greater recognition of the important position of the Provinces and municipalities in the national economy.

In order to give effect to the proposed arrangements for 1962, further legislation will be necessary. On the basis of our present information, it would seem that action will be required before next September so that necessary tax measures between the Provinces and Canada may be co-ordinated. This will mean a special session of the Legislature, probably in July, and I will inform Honourable Members of our plans at the earliest date possible.

I also inform the House that proposals will be put forward at the same special session by which we hope to relieve the present heavy burden of hospital premiums on the lower income groups among our citizens.

A welcome accompaniment of the new proposals was the expressed willingness of Canada to re-examine the bases of the shared-cost and conditional grant programmes. This we have urged, for while these programmes have been of undoubted benefit to Manitoba, as illustrated by the table attached, there has been a tendency for rigidity to develop. By a revision and perhaps a consolidation process, we think their value may be greatly enhanced in the years ahead. It is interesting, Mr. Speaker, to note that from 1957-58 to the present fiscal year, these shared-cost grants from Ottawa have increased from \$8 million to \$31 million, almost a four-time increase over that period.

.....continued on next page.

(Mr. Roblin, cont 'd.)

FINANCIAL REVIEW

While in many respects the post war years have been the best that Canada has seen, Manitoba has not shared in the national growth to the extent that would have been hoped. Various logical reasons for this have been advanced from time to time but the fact remains that, in part at least, Manitoba did not participate because of an unwillingness of the investor, public and private, to accept the financial responsibilities of the future. Not only did inadequate capital investment hinder the development of governmental services, but it was reflected throughout the whole economy in this lower than average rate of growth.

This situation we have set out to correct, directly and indirectly, and in the process, inevitably money has been invested in the present and in the future of this Province. I am becoming increasingly confident of this future and I am satisfied that the results of these efforts in the field of governmental capital investment and through the encouragement of private investment have had a great part to play in the development which is now beginning to be realized as a matter of important national interest. As the Financial Times of March 3rd, 1961, headlined, "Things are humming in Manitoba" "new facilities and industries lead the way to a balanced economy". -- And I suggest that this week's issue of the Financial Post is equally interesting to those who are interested in the progress over recent years of the Province of Manitoba. --

PUBLIC DEBT

Now we have been criticized that in making this omelette we have broken some eggs; that in the process we have allowed the public debt to increase. Under the circumstances of the past I regard this as a completely necessary development. It has become popular in some circles to argue that a balanced budget on both capital and current account is the 'sine qua non' of government finance - the 'best of all possible worlds'. For a mature economy, that view might have weight. But Manitoba's is not a mature economy. It is a developing one and no man in reason should suggest that we should impose on our people, our farms and our industries, onerous and discouraging levels of taxation to pay today for the full capital costs of our economic and social development. These are investment factors and we would no more feel justified in placing the full burden on our people at once than would a public utility be justified in raising all its requirements for future capital plant from its present consumers.

What really counts is what you do with the money you raise. Whether it will pay its way directly or indirectly is the chief matter of concern. This has been our guiding principle and the one to which we have adhered to the best of our ability.

The public debt, or indeed public investment as it really is, has grown. I can only wish that it had grown sooner so that our people might have enjoyed sooner the fruits of that investment. The following table gives a comparison of the Public Debt up to the current time -- I'll only give the final figure, Sir, because you can read the lengthy table at your leisure. The net debt, as at December 30th, 1960 is \$125 million-odd.--

	<u>Comparison of Public Debt</u>		
	<u>March 31st,</u> <u>1959</u>	<u>March 31st,</u> <u>1960</u>	<u>December 31st,</u> <u>1960</u>
Debentures	\$ 204,026,000	\$ 253,672,000	\$ 286,892,000
Treasury Bills	53,000,820	64,960,502	72,414,161
Gross Debt:	\$ 257,026,820	\$ 318,632,502	\$ 359,306,161
Less: Gross Debt for Self-Sustaining Purposes	196,505,238	216,092,457	223,752,763
	\$ 60,521,582	\$ 102,540,045	\$ 135,553,398
Less: Sinking Funds and Other Funds held for General Debt			
Retirement	12,297,232	10,498,143	10,371,250
Net Debt:	<u>\$ 48,224,350</u>	<u>\$ 92,041,902</u>	<u>\$ 125,182,148</u>

(Mr. Roblin, cont'd.).....

The ability of our economy to support this debt remains unimpaired. Despite our large programme of asset-creating improvements, the costs of interest and debt discount amortization in the next fiscal year will only take just over 3 per cent of the total revenue of the Province. I do not think our ability to meet these charges can be called into question under such circumstances.

As I pointed out in my last Budget address, the great bulk of our debt has been contracted for asset-creating purposes, in great part self-supporting. As of December 31st, 1960, the breakdown by purposes was as follows: --I'll not give the details of the table, Sir, but merely remark that by far the bulk of it is for Public Utilities. The rest will be obvious to the members as they read the statement --

Purposes of Public Debt - December 31st, 1960
(Thousands of Dollars)

Public Utilities	\$ 222,389
Provincial Buildings	10,568
Roads and Bridges	93,244
Other Public Works	4,639
Grants and Advances	7,747
Unemployment Relief	11,417
Debt Discount	9,302
	<u>\$ 359,306</u>

Honourable Members will notice at once that the greatest part of this indebtedness has been incurred in financing the growth of our public utilities. These are an essential part of our development and lay no burden upon the general funds of this Province. We must remember that in the case of Manitoba, with the exception of City Hydro which is a customer of our Hydro-Board, our power and telephone utilities are Provincially operated and financed. In several other Provinces such capital is raised in substantial measure, not by the government but at the private corporate level, and is not reflected directly in the Provinces' financial operations. But the benefits are ours and we must accept the accompanying responsibilities. I do not believe that the people of Manitoba would have it otherwise.

For information and interest of the House I include a statement compiled from official sources in the publication, "Canadian Government and Municipal Financial Statistics, December, 1960," showing the per capita burden of net direct and gross direct and indirect debt by Provinces at March 31st, 1960: --I shall not read the table, Sir, but I recommend it heartily to those who are interested in the relative burden of debt in the Province of Manitoba and other provinces, including some that are alleged to be debt-free. --

Provinces	Per Capita Net Direct Debt	Per Capita Gross Direct and Guaranteed Debt
Alberta	\$ 22.42	\$ 154.81
British Columbia	-	417.39
Manitoba	102.51	387.79
New Brunswick	185.80	435.66
Newfoundland	137.82	172.60
Nova Scotia	211.57	388.24
Ontario	163.17	502.04
Prince Edward Island	313.75	279.91
Quebec	35.80	236.56
Saskatchewan	52.92	413.44

DEBT TRANSACTIONS

The capital market in Canada has been one of the many vagaries in the past twelve months. Interest rates for long term, high grade securities were at a level not reached since the early

(Mr. Roblin, cont'd.) 1920's - in January they reached about 6.25 per cent. They fell gradually until mid-September to about 5.50 per cent, but rapidly rose again to the level of the early Spring and at the year-end were around 5.85 per cent.

The following table summarizes our debt transactions of the past calendar year. It has been the Treasury policy to borrow on a long term basis unless good reason for short term financing presented itself. --Again I will just summarize the table by giving you the information that the net increase in net debt is in the order of \$32 million over the past 12-month period. --

Summary of Debt Transactions
January 1st, 1960 - December 31st, 1960.

Debentures Issued	\$ 62,250,000	
Debentures Retired	<u>24,260,000</u>	
		\$ 37,990,000
Treasury Bills - net increase		<u>15,394,959</u>
Net Increase in Gross Debt -		<u>\$ 53,384,959</u>
Net Increase in Net Debt -		<u>\$ 32,236,456</u>

Our capital programme for 1961-62 has been developed with the same considerations in mind as guided us in 1960-61. You will recall that these criteria as then stated were:

1. Is the proposed expenditure good in itself?
2. Can the Province afford it?
3. Will the return on the investment compensate for the costs involved?

Again, our public utility requirements form the greater part of our capital programme. It is expected that the Hydro-Electric Board will be using about \$24 million of the authority granted by Loan Act last session as the Grand Rapids project gets fully underway. To this must be added \$6.5 million for power distribution now to be included with the responsibilities of the Board as a result of the merging of the Power Commission with it. You have been asked to authorize \$10.6 million so that capital projects of the Telephone System may be proceeded with, as well as \$1.45 million for the Manitoba Water Supply Board.

These are substantial investments, but they are essential to the continued development of Manitoba. Their results will be reflected many times over in the increased productivity and prosperity of our people. They are all self-supporting and place no burden upon the Consolidated Fund.

The Minister of Public Works has outlined in detail our capital programme for highways in the coming year. An additional authority of \$18 million is necessary to enable it to be carried forward. The Greater Winnipeg Floodway and other flood control and drainage projects will require additional authority of \$3.75 million; land settlement projects and resource and recreation development will need a further \$785,000; agricultural research, \$1 million; and public buildings, including the initial funds for the new technical institute, \$315,000.

Under Grants, Loans, Advances, etc., we will need to supplement our existing authority by \$1.8 million for the University of Manitoba, \$735,000 for Brandon College and \$1.2 million for hospitals and homes for the aged. These are all essential items for the cultural and social growth of Manitoba.

Funds will continue to be made available for loans to our two development bodies so that they may continue to encourage and supplement private funds in the agricultural and industrial growth of this Province. We require authority of \$4.0 million for the Agricultural Credit Corporation and \$1.5 million for the Manitoba Development Funds. These funds are showing their worth and it will not be too long, we hope, before they will, in substantial measure, be self-supporting.

The Agricultural Credit Corporation will have \$4.8 million available for loan in the next fiscal year. The Manitoba Development Fund will have \$4.2 million. It is our hope that the Manitoba Development Board will soon be successful in attracting private capital into the fields of business activity supported by the Fund.

(Mr. Roblin, cont'd.).....

As can be seen, these measures involve a substantial programme of capital financing in the year ahead. While we would be more content if the general level of interest rates was lower and more stable, we have no hesitation in saying that the programme is one that is well within the financial capacity of this Province. It is a programme essential to our continued prosperity and development.

GUARANTEED DEBT

Where a body under the control of the Crown has a distinct entity and has access to its own sources of funds, we have, where the situation justified it, extended the Provincial guarantee. This has in some cases covered interest alone, but more commonly both principal and interest have been supported.

I think I should emphasize at this time that, where there is a clearly recognizable distinction in the function of a government agency from that of a regular government department and where circumstances warrant, a guarantee is an entirely acceptable method of financing. However, we should be under no illusions that such borrowing does not constitute a charge on the assets of the Province whether it be as a Provincial debt or only as a contingent liability.

LOCAL GOVERNMENT BORROWINGS

I have referred on other occasions to our proposals made in the interest of improving the marketability of local government securities. Without these or other aids, the problems in raising capital faced by local treasurers have been formidable. However, by a process of consolidation and co-ordination and improvement of information sources, and by a general process of education of the investor - conducted largely by The Municipal Board with the co-operation of the Treasury - a substantial improvement in borrowing experience has been noted.

This has been particularly true in the case of the school divisions where a heavy programme of capital financing has been necessary to support the rapid growth of facilities.

The Province has continued to support these securities where necessary, but in most cases local governments have been able to finance on their own responsibility.

During the past year over \$15 million of debentures have been sold through government facilities for fifty-five local authorities. Whereas in the early part of the year it was difficult, if not impossible, to get firm bids, and interest costs were very high, by September firm bids were being received on all issues and the rates, while still high, were much more reasonable. This is a good example of what a planned co-operative programme can do without centralization of control.

SAVINGS BONDS

Honourable Members will recall that the first issue of Manitoba Savings Bonds was offered to the public of the Province on March 20th. The books on this issue were closed, after six business days, on March 27th, with applications totalling over \$40,800,000 received.

The use of an investment security cashable at full issue price for raising provincial capital is a relatively new development among Canadian Provinces. The public, of course, have become familiar with the idea through numerous Canada Savings Bond campaigns.

We have been concerned that we did not seem able to attract any substantial volume of personal savings into provincial bonds. For this reason we have had to rely to a very large extent on the big investor, the corporation, the trust, the insurance company, for our funds. Satisfactory as this is from a purely financial viewpoint, we have wanted our own people to have some greater direct financial investment in the development of their Province than they have had in the past.

The Savings Bond issue just closed was for such a purpose, and it has effectively demonstrated the faith of the people of Manitoba in this Province's future. Not only does this instrument provide a substantial volume of necessary funds for provincial development, but it provides them directly from the savings of our own Manitoba people.

At the same time the Savings Bonds provide for the small Manitoba investor a safe and remunerative form of savings. This issue was a first venture for the Manitoba Treasury, and with the experience thus gained there seems no good reason why - under the right circumstances -

Statement of Guarantees Outstanding by Type of Borrower

	<u>March 31st,</u> <u>1959</u>	<u>March 31st,</u> <u>1960</u>	<u>December 31st,</u> <u>1960</u>
Guaranteed as to both Principal and Interest:			
Manitoba Hydro-Electric Board	\$ 71,750,000	\$ 90,150,000	\$ 115,150,000
Hospitals, University and Others	<u>1,351,827</u>	<u>4,805,400</u>	<u>11,990,886</u>
	<u>\$ 73,101,827</u>	<u>\$ 94,955,400</u>	<u>\$ 127,140,886</u>
Guaranteed as to Interest Only:			
School Districts	\$ 2,761,714	\$ 6,436,100	\$ 6,045,925
Municipal	<u>2,863,100</u>	<u>3,437,153</u>	<u>3,276,128</u>
	<u>\$ 5,624,814</u>	<u>\$ 9,873,253</u>	<u>\$ 9,322,053</u>
	<u>\$ 78,726,641</u>	<u>\$104,828,653</u>	<u>\$ 136,462,939</u>

(Mr. Roblin, cont'd.)....Savings Bonds should not be offered again to aid in financing the Province's investment programme from the savings of the people of Manitoba themselves. I would like at this time to acknowledge the whole-hearted assistance and co-operation that we have received from the investment, trust, and banking institutions throughout the Province.

REVENUE AND EXPENDITURE - 1960-61

Revenue for the fiscal year just closed was originally estimated at \$98,395,000. Latest indications are that this estimate will be exceeded and that revenue for 1960-61 will be about \$101,650,000.

The main estimates of expenditure on current account for 1960-61 totalled \$95,382,970. Our latest estimate, which takes into account all anticipated expenditure, is \$95,150,000. This provides a surplus on current account of \$6,500,000 which, in accordance with the authority granted in The Treasury Act, will be carried forward into the next year as a stabilization measure.

REVENUE AND EXPENDITURE - 1961-62

The Minister of Public Works has made available to the House that report of the investigating authorities who have conducted a survey and analysis of our highway system. It had been our hope that the great amount of construction and betterment undertaken in the last three seasons would have done much to overcome the accumulated need and that, in the future, our programmes could have been of more modest proportions. But the report indicates the necessity for an entirely new approach to our highway needs and that we must be prepared to invest funds in our highway system for a good many years at a level beyond anything previously contemplated on a continuing basis. This will be essential if we are to keep up with modern transportation needs.

If we had been able to revert to more modest capital expenditures, we could have continued without additional levies on those who are the chief beneficiaries of these expenditures. But it is now quite clear that, on the level of road investment for the years ahead now called for by the report, the present charges for road-use are quite inadequate and do not place the burden where it properly belongs.

For this reason we propose to ask the Legislature to authorize an increase in tax, under "The Gasoline Tax Act", of 3 cents a gallon, that is to 14 cents, and, under "The Motive Fuel Users Tax Act", an increase on road-use fuel (diesel) of 6 cents a gallon or to 17 cents. These changes bring Manitoba more in line with the rates in other Provinces - although our rates are still below some.

The following statement gives the rates as they are now in the various Canadian Provinces:

<u>Province</u>	<u>Gasoline</u> (Cents per Gallon)	<u>Motive Fuel (Diesel)</u>
Newfoundland	19	19
Prince Edward Island	16	16
Nova Scotia	19	19
New Brunswick	18	23
Quebec	13	13
Ontario	13	18.5
Manitoba (Proposed)	14	17
Saskatchewan	14	17
Alberta	12	14
British Columbia	13	15

I would like to say a few words at this time on the proposed differential between gasoline tax and the tax on motive fuel or diesel. It has been well established by research undertaken in various parts of Canada and the United States that a considerable part of the increasing burden of highway costs, particularly that incurred through the necessity for extra-heavy construction, is attributable to commercial traffic. The situation has been complicated by the fact that, on a mileage basis, diesel trucks, which now contribute to a substantial part of this heavy traffic, operate at a much lower rate per ton-mile with respect to fuel. This has been recognized

(Mr. Roblin, cont'd.) . . . in several Provinces and a differential tax rate imposed. This is shown in the table referred to.

Minor changes will be made with respect to the tax on certain classes of non-road-use diesel fuel on which the tax will be increased to 2 cents from the present 1 cent per gallon, while airplane fuel which has been taxed at 1 cent per gallon when of a kerosene base will be taxed at 2 cents per gallon generally. Provision is being made for the reduction in tax on gasoline used in motor boats to 2 cents per gallon. This would otherwise have been subject to the full rate of 14 cents.

There will be no change in the full exemption from tax presently extended to farm vehicles and machinery operating on the farm and not on public highways. The total revenue from the changes will amount to about \$5 million in a full year.

We, in Manitoba, continue to live in a Province with one of the lowest levels of taxation in Canada. The aforementioned changes will not alter this situation. -- In fact, I might say, that the Province of Alberta and ourselves have the distinction of having the lowest tax structure in the country; and they are the province with all the oil.

For 1961-62 we have budgeted for revenue on current account totalling \$105,773,400.

While there are important increases in revenue, we are also faced with two substantial decreases from the levels anticipated for last year. This is a reflection of the period of less dynamic economic activity that we have experienced in the last year.

The more important increases anticipated are as follows:

(i) Gasoline Tax	\$ 4,250,000
(ii) Motive Fuel Users Tax	695,000
(iii) Transfer of 1960-61 Revenue Surplus	1,333,000
(iv) Water Power Rentals	165,000
(v) Unemployment Assistance Agreement	648,000
(vi) Automobile & Drivers' Licences	1,000,000

The principal decreases are:

(i) Canada-Manitoba Tax Agreement	\$ 1,211,000
(ii) Liquor Revenues	501,000

I wish to make particular reference to payments under the Federal-Provincial Tax-Sharing Arrangements Act. With the continuing growth of the economy, we have been able to rely with some degree of certainty on a slow but fairly steady increase in returns. Generally, the preliminary estimates of payments have been on the conservative side, but for the year 1960-61, due mainly to a fall-off in the taxable profits of corporations, we do not expect to have received the \$40,211,000 that we originally estimated. The most recent estimate and the one on which we were being paid was \$38,252,000 - a drop of nearly \$2,000,000.

In the Blue Book of Estimates for 1961-62, Canada has estimated the 1961-62 payment at \$39,725,000. In view of the current forecasts of economic activity I am inclined to take a slightly more cautious view of the recovery in corporation profits - the principal factor which has affected the variation in payments of late. I am, therefore, estimating our return at \$39,000,000.

EXPENDITURE

The current account expenditure in the fiscal year 1961-62 is estimated at \$103,856,514 of which \$535,000 is chargeable to capital division. This is an increase of \$8,473,544 over 1960-61.

As the Legislature has already considered these items, there is no need for me to discuss them at length here, and in accordance with previous custom I will make brief reference only to some of the more important changes.

The main increases are in Agriculture and Conservation, \$593,915 - due substantially to the Province's cost in connection with the operation of the Crop Insurance Plan and the Agricultural Credit Corporation; Health and Public Welfare, \$1,807,870 - the larger part of which is attributable to the higher costs in the Welfare Division due to heavier case loads and improved services; Attorney-General, \$160,898; Treasury, \$123,985 - due particularly to the

(Mr. Roblin, cont'd.)...organizational grant to Metro Winnipeg of \$110,000; Mines and Natural Resources, \$199,315 - most of which is found in the Forestry Branch; Public Works, \$1,631,922 of which \$1,015,957 is in operation and maintenance of Government Buildings - due largely to the re-acquisition and acquisition of the Broadway Site properties and the opening of the new Norquay Building; Highway Maintenance, Aids to Municipalities, etc., \$178,500; and charges to the capital division which amount to \$328,500. The Public Debt increase of \$2,334,971 is a direct reflection of our capital investment programmes and is made up of an increase of \$1,488,160 interest and \$928,988 debt redemption, with a decrease of \$82,177 in discount amortization. Labour is up \$211,423 - largely due to increased expenditure on Winter employment. Industry and Commerce shows an increase of \$193,448 which is mainly due to requirements of the Manitoba Development Fund. An additional blanket amount of \$650,000 has been provided for the increase of one step in the salary schedules of Manitoba Government departmental employees.

Public Utilities show a decrease of \$237,844 which is largely accounted for by the elimination of the subsidy to The Manitoba Power Commission - now amalgamated with The Manitoba Hydro-Electric Board. The Provincial Secretary will require \$592,158 less - minor increases being more than offset by the smaller current charges made necessary by the revision of The Civil Service Superannuation Act.

The surplus on current account for the new fiscal year ending March 31st, 1962, is now estimated at \$1,916,886.

It must have been apparent to the Honourable Members in their review of the expenditure programme in Committee of Supply that a great deal of detailed work is necessary by the Departments and by the Treasury Board itself before these proposals can be brought forward. The preparation of Estimates commences in September for a fiscal year which does not even begin for several months, and involves a great deal of detailed forward planning and a modicum of plain, educated guess-work. In times such as we are now facing, with the economy slowed from its rapid forward pace, the problem becomes even more difficult and skill and co-operation is at a premium.

It is under such conditions that a Treasury Board proves its value. This year we have attempted more than ever to analyze programmes, to have departments examine them, and to demonstrate their worth so that our available funds may be put to their most effective use. In this process we have had the co-operation and understanding of all Departments. Estimates are, after all, only figures on a bit of paper and unless there is a full appreciation of the problems and willing co-operation in spirit and in letter from all those who transcribe these figures into action, the efforts of the Treasury Board to control the expenditure of Government funds can be wasted and meaningless. As we improve our technique and as the understanding of Treasury Board's functions grow, we feel that it will prove of increasing value in the governmental process without in any way interfering with departmental responsibility.

CAPITAL SUPPLY

The needs of this Province for a continuing expansion of capital investment have again had our careful consideration. I have said earlier that it is my view that the creation of assets as a charge for the future is a necessary financial approach in a developing economy. It is on that basis that our capital borrowing programme has been constructed.

The Capital Supply estimates have had the consideration of this House. I do not think I need say more than that it is our view that the future of Manitoba requires that these programmes proceed. That they are well within the economic capacity of the Province is evidenced by the high credit which this Province enjoys in the financial markets not only of Canada but of the United States as well.

CONCLUSION

In my Budget Statement of last year I noted that the theme of progress incorporated in my first Budget had been continued and strengthened. In this Budget, this theme of progress has been carried forward, but essentially we are in a period of consolidation rather than one of rapid advance. It is now more than ever essential that we use the greatest prudence in determining our financial policies and this breathing spell may prove a valuable opportunity for

(Mr. Roblin, cont'd.) consideration of our objectives. There can be no excuse for lack of confidence in the Manitoba economy nor in the future of this Province. Our own sound economic structure is of unquestioned strength, and it is on that that we must build.

We will continue to create conditions in which investment will be provided with every incentive. We have needs yet to meet, and we shall meet them. Prudence now, combined with foresight and energy, will ensure that prosperity will follow with our continued growth. The most essential condition for our progress is confidence - confidence in Manitoba and confidence in ourselves.

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

Mr. Speaker presented the motion.

MR. CAMPBELL: I beg to move, seconded by the Honourable Member for Carillon, that the debate be adjourned.

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

MR. ROBLIN: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Industry and Commerce, 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 Monday afternoon.

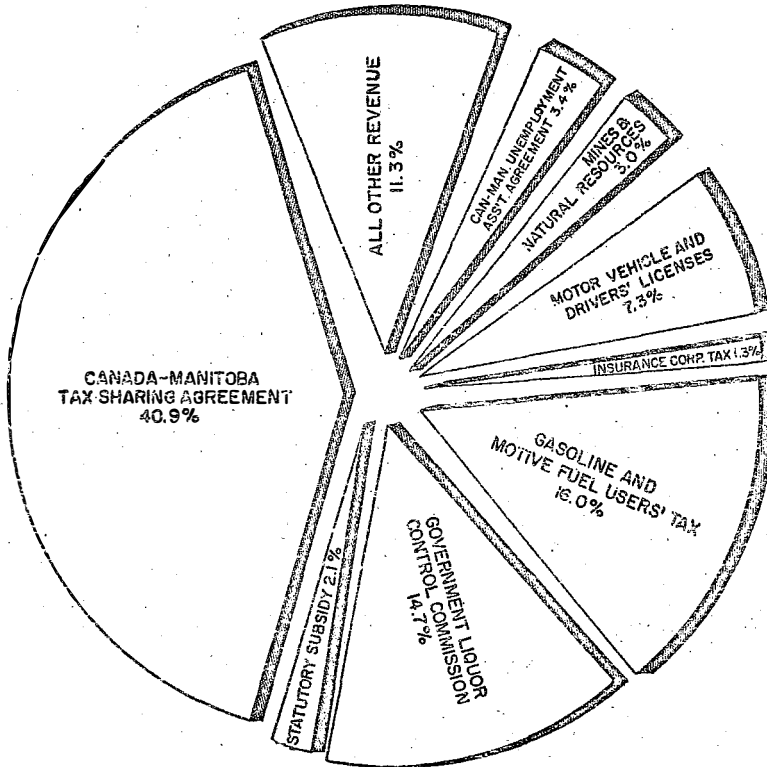
FINANCIAL

STATISTICS

April 7, 1961.

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PROVINCE OF MANITOBA
ESTIMATED REVENUE
1960-61

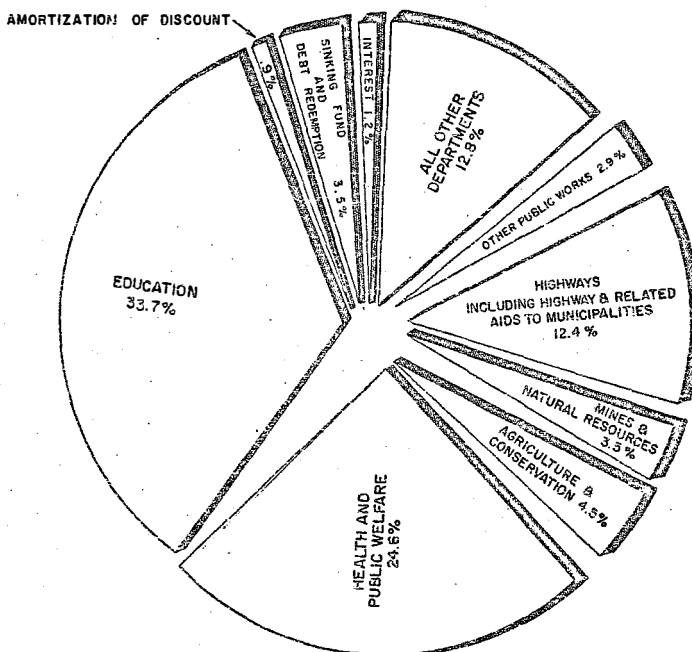


REVENUE BY SOURCE
- REVENUE ACCOUNT -
1960-61 MAIN ESTIMATES

Source	Revenue	Percentage of Total Revenue
Canada-Manitoba Tax Agreement	\$ 40,211,000.00	40.9%
Statutory Subsidy	2,054,000.00	2.1
Government Liquor Control Commission	14,500,000.00	14.7
Gasoline and Motive Fuel Users' Tax	15,780,000.00	16.0
Tax on Insurance Corporations	1,300,000.00	1.3
Motor Vehicle and Drivers' Licenses	7,200,000.00	7.3
Mines and Natural Resources	2,908,000.00	3.0
Canada-Manitoba Unemployment Assistance Agreement	3,352,000.00	3.4
All Other	11,090,000.00	11.3
TOTAL	\$ 98,395,000.00	100.0%

Source: Treasury Department.

PROVINCE OF MANITOBA
ESTIMATED EXPENDITURE
 - REVENUE ACCOUNT -
 1960-61

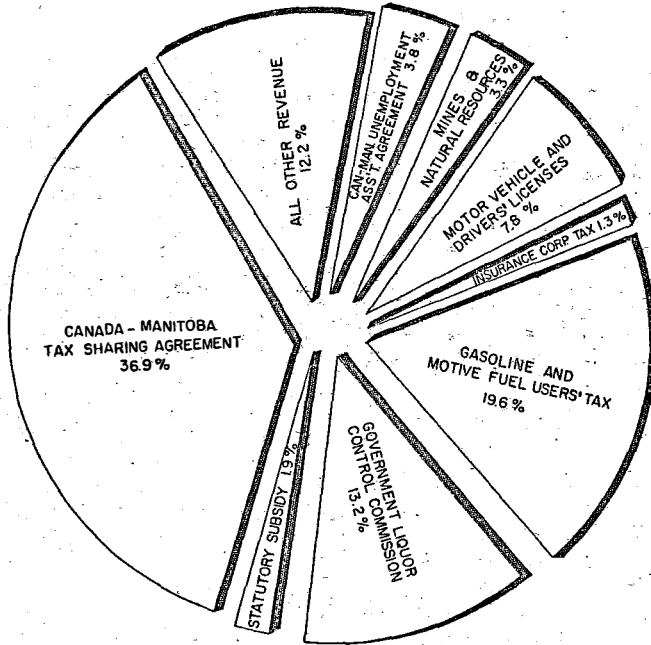


EXPENDITURE BY DEPARTMENT
 - REVENUE ACCOUNT -
 1960-61 MAIN ESTIMATES

Department	Expenditure	Percentage of Total Expenditure
Education	\$ 32,151,162.00	33.7%
Health and Public Welfare	23,498,615.00	24.6
Agriculture and Conservation	4,285,770.00	4.5
Mines and Natural Resources	3,316,880.00	3.5
Highways (including Highway and Related Aids to Municipalities)	11,809,985.00	12.4
Other Public Works	2,781,507.00	2.9
All Other Departments	12,190,860.00	12.8
Public Debt:		
Interest	1,128,042.00	1.2
Sinking Fund and Debt Redemption	3,347,522.00	3.5
Amortization of Discount	872,627.00	.9
TOTAL	\$ 95,382,970.00	100.0%

Source: Treasury Department.

PROVINCE OF MANITOBA
ESTIMATED REVENUE
1961-62

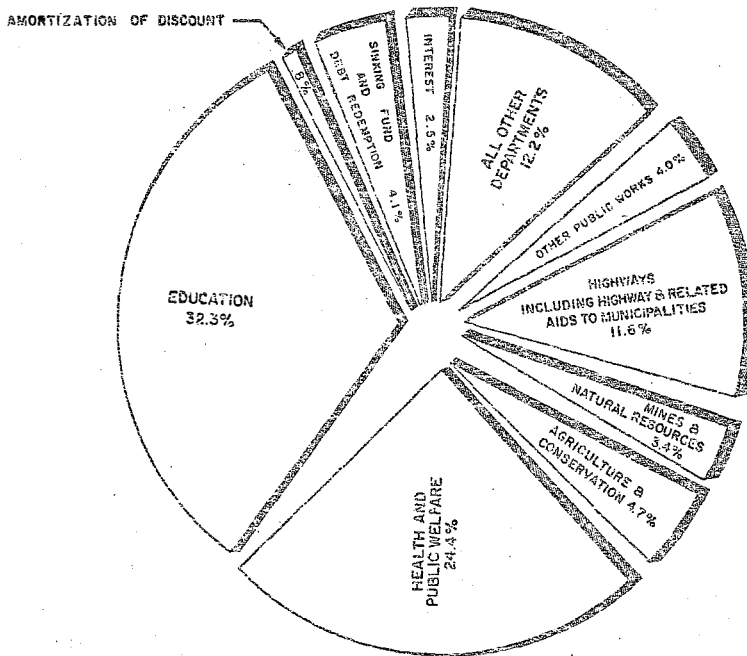


REVENUE BY SOURCE
- REVENUE ACCOUNT -
1961-62 MAIN ESTIMATES

Source	Revenue	Percentage of Total Revenue
Canada-Manitoba Tax Agreement	\$ 39,000,000.00	36.9%
Statutory Subsidy	2,054,000.00	1.9
Government Liquor Control Commission	14,004,000.00	13.2
Gasoline and Motive Fuel Users' Tax	20,725,000.00	19.6
Tax on Insurance Corporations	1,350,000.00	1.3
Motor Vehicle and Drivers' Licenses	8,200,000.00	7.8
Mines and Natural Resources	3,523,600.00	3.3
Canada-Manitoba Unemployment Assistance Agreement	4,000,000.00	3.8
All Other	12,916,800.00	12.2
TOTAL	\$ 105,773,400.00	100.0%

Source: Treasury Department.

PROVINCE OF MANITOBA
ESTIMATED EXPENDITURE
REVENUE ACCOUNT
1961-62



EXPENDITURE BY DEPARTMENT
-- REVENUE ACCOUNT --
1961-62 MAIN ESTIMATES

Department	Expenditure	Percentage of Total Expenditure
Education	\$ 33,529,612.00	32.3%
Health and Public Welfare	25,306,485.00	24.4
Agriculture and Conservation	4,879,685.00	4.7
Mines and Natural Resources	3,516,195.00	3.4
Highways (including Highway and Related Aids to Municipalities)	12,001,645.00	11.6
Other Public Works	4,221,769.00	4.0
All Other Departments	12,717,961.00	12.2
Public Debt:		
Interest	2,616,202.00	2.5
Sinking Fund and Debt Redemption	4,276,510.00	4.1
Amortization of Discount	790,450.00	.8
TOTAL	\$103,856,514.00	100.0%

Source: Treasury Department.

REVENUE AND EXPENDITURE
- Revenue Account -
1901-1961

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 ¹
1961 (Fiscal Year Ending March 31, 1962)	105,773,400	103,856,514 ¹

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

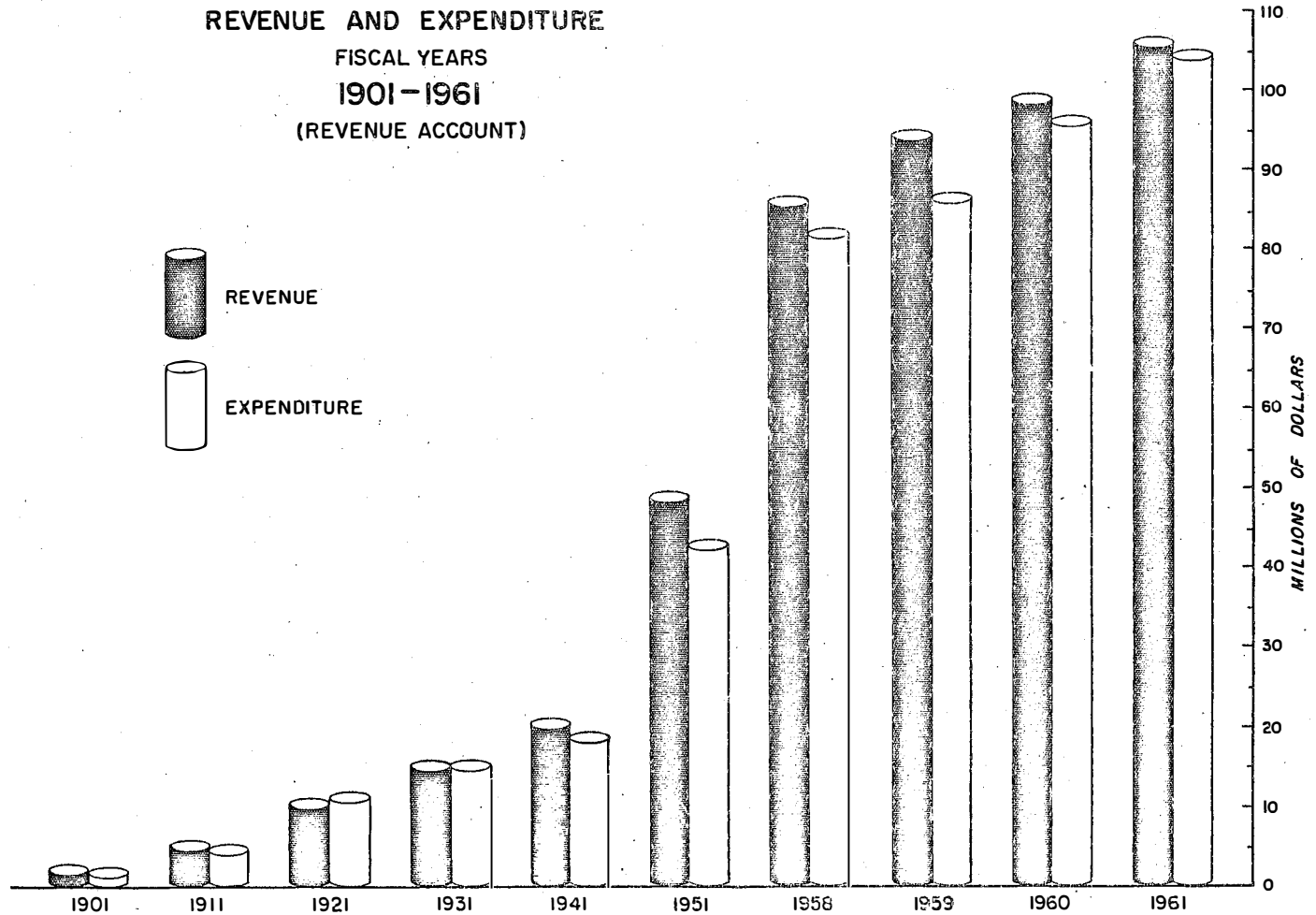
¹ Main Estimates.

Source: Treasury Department.

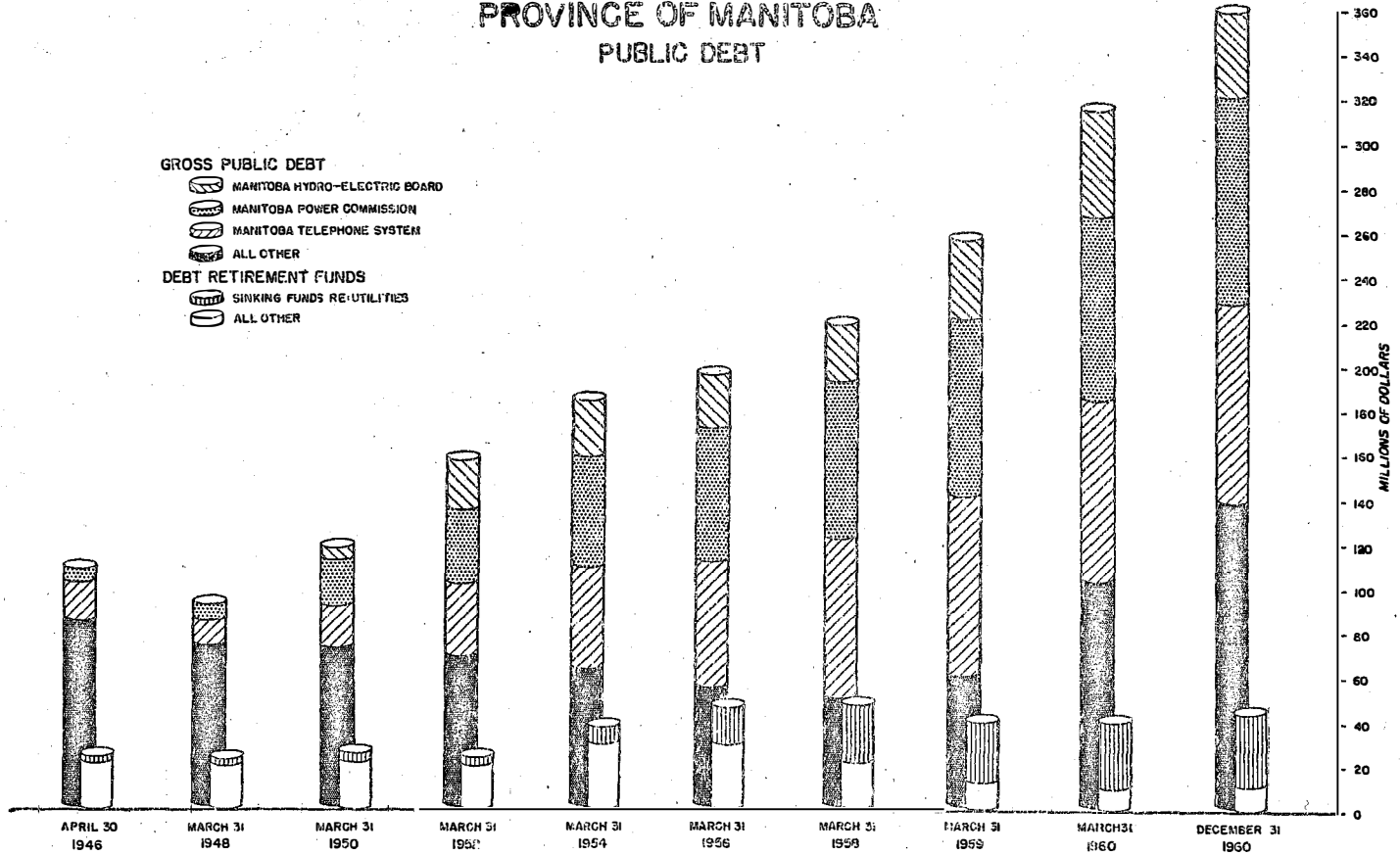
PROVINCE OF MANITOBA

REVENUE AND EXPENDITURE

FISCAL YEARS
1901-1961
(REVENUE ACCOUNT)



PROVINCE OF MANITOBA PUBLIC DEBT



PUBLIC DEBT TRANSACTIONS
CALENDAR YEAR 1960.

A. DEBTABLE TRANSACTIONS

<u>Debenture Series</u>	<u>Term</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Where Payable</u>	<u>Coupon Rate</u>	<u>Par Value</u>	<u>Total</u>
<u>Debentures Issued:</u>							
7Q	1 year	Jan. 15, 1960	Jan. 15, 1961	Canada	2.00	2,000,000	
7R	1 year	Feb. 1, 1960	Feb. 1, 1961	Canada	2.00	2,000,000	
7S	1 year	Feb. 1, 1960	Feb. 1, 1961	Canada	2.00	1,000,000	
7T	3 years	April 1, 1960	April 1, 1963	Canada	6.00	1,925,000	
7U	20 years	April 1, 1960	April 1, 1980	Canada	6.00	13,075,000	
7V	2 years	April 1, 1960	April 1, 1962	Canada	2.00	5,000,000	
7W	1 1/2 years	April 1, 1960	Oct. 1, 1961	Canada	2.00	1,750,000	
7X	9 years	June 1, 1960	June 1, 1969	Canada	5.50	1,800,000	
7Y	19 years	June 1, 1960	June 1, 1979	Canada	5.50	16,200,000	
7Z	23 months	June 1, 1960	June 30, 1962	Canada	2.00	2,500,000	
8A	1 year	June 30, 1960	June 30, 1961	Canada	2.00	1,000,000	
8B	20 years	July 4, 1960	July 4, 1980	Canada	3.00	5,000,000	
8C	23 months	Aug. 1, 1960	Dec. 31, 1962	Canada	2.00	3,500,000	
8D	1 1/2 years	Nov. 1, 1960	May 1, 1962	Canada	2.00	2,500,000	
8E	2 years	Nov. 4, 1960	Nov. 6, 1962	Canada	2.00	1,000,000	\$ 62,250,000
<u>Less Retirements:</u>							
4E	30 years	April 1, 1930	April 1, 1960	Canada or N.Y.	4.50	1,530,000	
5V	1-10 years	Feb. 15, 1950	Feb. 15, 1960	Canada	2.75	230,000	
5K	1-10 years	Sept. 15, 1950	Sept. 15, 1960	Canada	2.75	300,000	
6K	6 years	Oct. 1, 1954	Oct. 1, 1960	Canada	3.00	3,000,000	
6Q	39 1/2 months	Sept. 3, 1957	Dec. 15, 1960	Canada	3.00	2,000,000	
6W	24 1/2 months	Aug. 1, 1958	Aug. 17, 1960	Canada	2.00	7,500,000	
6Y	2 years	Sept. 2, 1958	Sept. 2, 1960	Canada	2.00	3,000,000	
7S	1 1/2 years	April 1, 1959	Oct. 1, 1960	Canada	2.75	2,500,000	
7R	11 months	Aug. 11, 1959	July 11, 1960	Canada	2.00	2,000,000	
7L	11 months	Aug. 11, 1959	July 11, 1960	Canada	2.00	1,000,000	
7N	1 year	Nov. 9, 1959	Nov. 6, 1960	Canada	2.00	1,700,000	21,360,000
NET INCREASE - DEBENTURES:							\$ 37,990,000

B. TREASURY BILLS

Issued (exclusive of renewals) in 1960	\$ 63,898,350	
Less: Funded during 1960 by provincial direct and guaranteed debenture issues	23,732,265	40,109,285
Issued prior to January 1, 1960, and		
(a) retired during 1960	1,733,351	
(b) funded during 1960 by provincial direct and guaranteed debenture issues	23,290,935	24,774,326
NET INCREASE - TREASURY BILLS:		15,334,959
NET INCREASE IN GROSS PUBLIC DEBT		\$ 53,384,959
NET INCREASE IN NET PUBLIC DEBT		\$ 32,236,456