

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Thursday, March 14, 1963

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions
Reading and Receiving Petitions
Presenting Reports by Standing and Special Committees
Notices of Motion
Introduction of Bills

HON. S. E. McLEAN, Q. C. (Minister of Education)(Dauphin) introduced Bill No. 41, an Act to amend the Education Department Act.

HON. DUFF ROBLIN (Premier & Provincial Treasurer)(Wolseley): Madam Speaker, I beg to move, seconded by the Honourable Minister of Industry and Commerce that Madam Speaker do now leave the Chair, and the House resolve itself into a Committee of the Whole, to consider the proposed resolution standing in my own name and of that of the Attorney-General and the Minister of Agriculture and Conservation.

Madam Speaker put the question and after a voice vote declared the motion carried and the House resolved itself into a Committee of the Whole, with the Honourable Member for St. Matthews in the Chair.

MR. ROBLIN: His Honour the Lieutenant-Governor having been informed of the subject matter in the proposed resolutions recommends them to the House.

MR. CHAIRMAN: Resolution No. 1: Resolved that it is expedient to bring in a measure to amend the Legislative Assembly Act by providing for increases in the indemnities and allowances for expenses of the members of the Legislative Assembly.

MR. ROBLIN: Mr. Chairman, this resolution covers the point that we discussed in Committee of Supply yesterday respecting an increase in indemnities from \$4,000 to \$4,800 and an increase in the two special expense allowances for the northern constituencies of Churchill and Rupertsland from \$900 to \$1,500.00.

MR. CHAIRMAN: Resolution be adopted. Agreed. Resolution No. 2: Resolved that it is expedient to bring in a measure to amend The Court of Appeal Act by providing for the appointment of a registrar and other officers and clerks for the Court of Appeal, and for the payment of their salary or other remuneration from and out of the Consolidated Fund.

HON. STERLING R. LYON, Q. C. (Attorney-General and Minister of Public Utilities): Mr. Chairman, this provision merely will provide money for the payment of these offices which are being established now under the Act.

MR. CHAIRMAN: Resolution be adopted. Passed.

Resolution No. 3: Resolved that it is expedient to bring in a measure to amend The Department of Agriculture and Conservation Act by providing: (a) for the leasing of real property of the Crown where the annual rental value is less than five hundred dollars; and (b) for the sale of real property of the Crown where the value is less than five hundred dollars; without the approval of the Lieutenant-Governor-in-Council. Resolution be adopted.

MR. M. N. HRYHORCZUK, Q. C. (Ethelbert Plains): All I want to do is ask one question of the Minister. I notice that where the rental value is \$500, you're by-passing the Lieutenant-Governor-in-Council; and also where the value of the land is \$500.00. Well, in those two things there's a tremendously big spread between the responsibility because a lease that has a rental value of \$500, the lands it could cover would run into the thousands sometimes, the actual value of the land. There doesn't seem to be any comparison between the two as to the width of the responsibility which is being placed on someone else to do this particular type of work.

HON. GEORGE HUTTON (Minister of Agriculture)(Rockwood-Iberville): Mr. Chairman, the reason for requesting this authority for the Minister is that due to the large water control projects that are now underway in the case of the Red River Diversion and again in the case of the proposed Shellmouth Reservoir and the Portage La Prairie Diversion, there undoubtedly will be great large numbers of small properties left over and until time has elapsed and these properties have been disposed of we are faced with the responsibility of managing them, and we are seeking this authority so that each one of these annual rentals will not have to be brought

(Mr. Hutton, Cont'd.) in for approval by the Lieutenant-Governor-in-Council.

As to the question raised by the Honourable Member for Ethelbert Plains, I think that the explanation in respect to this requirement for leasing suffices there because this is a situation which we have not faced before and in all likelihood we won't face again for some time. But in the buying of right-of-way where we were by the physical demands of the project required to cut through, and in a way that created severance which left odds and ends, sometimes large, sometimes small, and in the interests and in fairness to the property owner, we had to buy the entire property. Yet, it put the Department in a position where for some time at least we are going to be holding and managing properties until they can be disposed of in the future.

MR. CHAIRMAN: Resolution be adopted.

MR. GILDAS MOLGAT (Leader of the Opposition)(Ste. Rose): Mr. Chairman, I thank the Minister for his statement. It seems to me that the point taken up by the Member for Ethelbert Plains is very important here because there's no relationship whatever between the values discussed in (a) and the values discussed in (b). Under (b) you talk about property worth less than \$500, but you're talking actually about small values, and I can appreciate that in those cases, the Department should be allowed some leeway. On the other hand, under (a) if you're talking about an annual rental value of \$500, you're dealing with property that could be worth very large sums of money, and it seems to me that the point the member made is that this is not in relationship and that the amount in (a) should be less than that because you're dealing actually here -- you could be dealing with very, very expensive property, and it seems to me in those cases that it would be better to have the Lieutenant-Governor-in-Council pass on this, rather than just handled through the Department.

MR. D. L. CAMPBELL (Lakeside): Mr. Chairman, I would like to ask another question. Who will be doing the leasing or the selling under this proposal; and also who will be determining the value, rental or for sale?

MR. HUTTON: Well, at the present time, we have a committee established who are managing these properties, and as I say this is the only place where this legislation applies, to my knowledge at the present time is in the case of the Red River Diversion Right-of-Way property. I know that the point that has been raised by the Member for Ethelbert Plains has some merit in logic that there's a vast difference between a property that has a lease value of \$500 annually and one which has a sale value of \$500.00. However, due to the nature of this physical work, due to the nature of its impact on the property owners, we are at this time left with these properties that we must manage.

I'll answer the question of the Member for Lakeside. These properties are now being managed by a committee operating under the Department of Agriculture and Conservation, and has been charged to the responsibility of purchasing and managing these lands. Now, the committee is not going to be there indefinitely, but at the present time they are handling them, and they make recommendations with respect not only to the purchases of the land, but to the value of any rentals that are charged, and so forth, for excess properties.

I recognize that there appears to be quite a wide variation in the power sought here; nevertheless, I suppose in respect to each individual transaction the power is the same; that is, the Minister would have the right to rent a property for a year at \$500 or to sell a property with a value of \$500.00. The Minister would not have the right to sell this property which has a rental value of \$500 so the mistakes that the Minister can make are limited in that respect. But is to try and meet a situation that we have not had to face before that we are asking for this authority; and we are asking for it to try and expedite the business of government.

MR. RUSSELL PAULLEY (Leader of The New Democratic Party)(Radisson): I think that the point raised by the Honourable Member for Lakeside is very pertinent and very vital to the resolutions before the Committee at the present time. Now then, the Minister, if I understand him correctly in reply has stated that this will specifically, or in general, if not specifically, deal with the properties that have been bought in connection with the building of the Floodway, if I understood him correctly. These are the properties that they have in mind for this legislation. Now then, it would appear to me that -- and of course we don't know whether this is spelled out in the bill that will follow the resolution -- and I presume that there will be a Bill subsequent to the passing of the Resolution -- but if that Bill does not specify the peculiar circumstances to which the Minister is now referring then in effect we're passing legislation not

(Mr. Paulley, Cont'd.) . . . in respect of a peculiar situation such as referred to by the honourable minister but one that will be binding on all property and pertinent to all property within the whole province, and I think that before we proceed with this we should have a better understanding of the whole matter.

MR. T. P. HILLHOUSE, Q. C. (Selkirk): Mr. Chairman, I wonder if the Minister would advise me as to whether or no there will be any safeguard placed in this legislation which would restrict or prohibit the piecemeal selling of land, so that over a period of several years you could sell various portions of that land for a sum under \$500 to the same individual purchaser in each instance, and if you follow that procedure you protection the public had by the present provisions in the Act.

MR. HUTTON: I'd like to point out Mr. Chairman, that this can only apply to properties which are acquired by the department for specific purposes; we can't go into the land business. This only applies to properties which we come into control of or possession of through the purchase of lands which are to be used for the construction of water control projects, and in that respect I think the Legislation would curtail any extension of this control or authority that was feared by the Honourable the Leader of the NDP.

MR. MORRIS GRAY (Inkster): Mr. Chairman, may I ask the Honourable Minister another question? Who puts the evaluation on the property of \$500 for sale and the \$500 for rent? I mean if you have a definite amount somebody must have already made the evaluation. Supposing it's \$300; supposing it's \$800; why limit it to \$500.00?

MR. HUTTON: I guess you draw the line some place; it's an arbitrary line and the Minister has at the present time, it's a common authority that ministers have at the present time that they can negotiate settlements where the amount involved is under \$500; you can sell equipment and make sales of equipment and so forth and approve them where the amount is under \$500.00. We were trying to expedite the business of the government and since \$500 was a sum of money that they trust ministers with, have in the past, they recommended that this humble Minister of Agriculture and those that come after me should be entrusted with the administration of lands where the income was less than \$500 annually. It's an arbitrary figure, I couldn't tell you why the government in the past within their wisdom they decided that this was an amount of authority that they would trust ministers with. I'm sure that legislation has been passed during the time that you have sat in this House when you gave ministers that authority. I don't know why you gave them \$500 and no more or why you didn't give them less. That seems to have been the custom and the tradition that has been followed.

MR. N. SHOEMAKER (Gladstone): Mr. Chairman, may I ask this question? Are all parcels of Crown land assessed by the provincial assessors and if so, does the assessed value bear the same relationship to the actual cash value or is this the method that you determine the actual cash value of Crown lands.

MR. HUTTON: I don't know whether I follow the honourable gentleman entirely, Mr. Chairman. When we buy property we are guided more by the market value than we are by the assessed value and I would expect that it would follow that any assessment that was made on the value of the land would be made by appraisers, not by — that is in determining the value of the land for sale or for purchase would be determined by qualified appraisers, not the government assessors. We have in the employ of our department qualified appraisers and other departments have them as well where they're engaged in the construction of physical projects which require the acquisition of private property and this has been the procedure that's been followed. These men are experienced and qualified and they recommend, they investigate, assess the property and recommend to us the price that they believe is in the interests of the public and in the interests of the property owner that should be paid or charged as the case may be.

MR. E. R. SCHREYER (Brokenhead): Mr. Chairman, it occurs to me that the effect of this legislation will be to extend the arbitrary powers of the Minister that's been dealt with; but it also occurs to me that it's possible that it may extend the discretionary powers of the Minister with regard to the method or technique of sale. I'd like to know if it's intended anywhere in this legislation that the Minister may make sale or offer for sale in a way other than by tender system.

MR. HUTTON: the policy of government that tenders are called on all sales. That is not something that is left to the discretion of the Minister.

MR. MOLGAT: I presume then, Mr. Chairman, that it's the intention of the Minister to have in the Bill that it will be sale by tender. My next question in addition to that would be in reply to the Member for Selkirk. The statement of the Minister that this would only apply to lands purchased by the government as a result of the floodway and so on, I presume that this also will be in the Bill.

MR. HUTTON: in the Bill.

MR. MOLGAT: This would suit my purpose, Mr. Chairman, and I'm prepared to let this go through and further discussion on the Bill. One further question on Point (a). Is it the intention to have leases for more than one year or is it on a yearly lease basis?

MR. HUTTON: Well, this is a question of policy, I don't think it would necessarily be for one year, it could be for more as is the case in respect to other properties. I think the same policy that applies to all Crown lands applies here.

MR. CHAIRMAN: Resolution be adopted. Passed. Resolution No. 4. Whereas on the 30th day of April, 1962, during the Fifth Session of the Twenty-Sixth Legislature, the Legislative Assembly on the motion of the Honourable Minister Lyon

MR. ROBLIN: Mr. Chairman, perhaps the Committee might be satisfied if you were to read just the "Resolved" on the understanding that the full text is printed in Hansard.

Hon. Mr. LYON -

WHEREAS on the 30th day of April, 1962, during the Fifth Session of the Twenty-Sixth Legislature, the Legislative Assembly, on the motion of the Honourable Mr. LYON, passed the following Resolution:

WHEREAS this House has received the Report of the Standing Committee on Statutory Regulations and Orders recommending that the Committee be authorized to sit during the recess after adjournment or prorogation and that the reasonable expenses of the members of the Committee be paid;

THEREFORE BE IT RESOLVED that the Standing Committee on Statutory Regulations and Orders examine all regulations to which The Regulations Act applies filed under that Act after the 9th day of February, 1961, and before the 15th day of February, 1962, and make its report thereon to the first Session of the Legislature held in the year 1963; and that the Committee have power to sit during recess, after adjournment or prorogation;

AND BE IT FURTHER RESOLVED that the Provincial Treasurer be authorized to pay from the Consolidated Fund the amount of such reasonable out-of-pocket expenses of the members of the Standing Committee on Statutory Regulations and Orders, necessarily incurred by them in attending the sittings of the Committee during recess as are approved by the Comptroller-General.

AND WHEREAS the Legislative Assembly of the Twenty-Sixth Legislature was dissolved by proclamation of the Lieutenant-Governor on the 9th day of November, 1962, and the Standing Committee on Statutory Regulations and Orders of that Legislative Assembly was also thereby dissolved;

AND WHEREAS the Standing Committee on Statutory Regulations and Orders for the Twenty-Sixth Legislature had not, before it was so dissolved, reported to the Legislative Assembly on the regulations filed under The Regulations Act after the 9th day of February, 1961, and before the 5th day of February, 1962, which were referred to it at the Fifth Session of the Twenty-Sixth Legislature;

AND WHEREAS it is advisable that this House receive a report on the aforementioned regulations;

THEREFORE BE IT RESOLVED that the regulations that were referred to the Standing Committee on Statutory Regulations and Orders for the previous Legislature be referred to the Standing Committee on Statutory Regulations and Orders for this Legislature, and that the Standing Committee on Statutory Regulations and Orders for this Legislature examine the regulations and any matter or submission placed before or made to the Standing Committee on Statutory Regulations and Orders for the previous Legislature, and make its report thereon at this session or at the next session of this Legislature, and that the Committee for that purpose be authorized to sit during recess, after adjournment or prorogation;

AND THAT the Provincial Treasurer be authorized to pay out of the Consolidated Fund,

to the members of the said Committee, the amount of expenses incurred by the members in attending the sittings of the Committee, or expenses incurred by the members in the performances of duties ordered by the Committee, in recess, after adjournment or prorogation, as are deemed necessary by the Comptroller-General.

MR. CHAIRMAN: Therefore be it resolved that the regulations that were referred to the Standing Committee on Statutory Regulations and Orders for the previous Legislature be referred to the Standing Committee on Statutory Regulations and Orders for this Legislature and that the Standing Committee on Statutory Regulations and Orders for this Legislature examine the regulations and any matter or submission placed before or made to the Standing Committee on Statutory Regulations and Orders for the previous Legislature, and make its report thereon at this session or at the next session of this Legislature, and that the Committee for that purpose be authorized to sit during recess, after adjournment, or prorogation. And that the Provincial Treasurer be authorized to pay out of the Consolidated Fund to the members of the said Committee, the amount of expenses incurred by the members in attending the sittings of the committee or expenses incurred by the members in the performance of their duties ordered by the committee in recess, after adjournment, or prorogation as are deemed necessary by the Comptroller-General.

MR. LYON: . . . is a revival resolution to re-establish the Committee on Statutory Orders and Regulations in order to permit it to complete its work as a Standing Committee with respect to those regulations referred to it by the last Legislature. I don't believe there is anything further I can say on it, except to point out to the committee that the previous committee had fairly well completed its work on the regulations; it had not, however, considered the report, it may well be that we can get that report into the House before this session is prorogued.

MR. CAMPBELL: Mr. Chairman, I have only the one question that occurs to me at the moment, inasmuch as we're re-authorizing this Committee, why couldn't we now bring the date right up to February 15th, '63?

MR. LYON: . . . to the Clerk about this matter and I think there is sufficient in this Resolution as it stands in order to permit the Committee to complete its work with respect to the '62 regulations; take under advisement the '63, and if they cannot conclude their work with respect to the '63 regulations, then to sit after adjournment, during prorogation and to complete its work and obviate the necessity -- I hope it does this -- obviates the necessity of having another resolution later in the session from the Committee.

MR. CAMPBELL: It's an excellent idea, Mr. Chairman, if that is the case. I had read it rather hurriedly and it didn't seem to me that it did that, but I'll take the Honourable the Attorney-General's word for it.

MR. LYON: . . . I checked with the Clerk just to make sure.

MR. CAMPBELL: If my honourable friend and I both have doubts on the matter, I'd suggest that it be looked at by some competent authority.

MR. CHAIRMAN: Resolution be adopted. Committee rise and report. Call in the Speaker.

Madam Speaker, the Committee of the Whole has adopted certain resolutions and directed me to report the same and ask leave to sit again.

MR. W. G. MARTIN (St. Matthews): Madam Speaker, I beg to move, seconded by the Honourable Member for Springfield the report of the committee be received.

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

MR. ROBLIN introduced Bill No. 39, An Act to Amend the Legislative Assembly Act.

MR. LYON introduced Bill No. 5, An Act to Amend The Court of Appeal Act.

MR. HUTTON introduced Bill No. 10, An Act to Amend The Department of Agriculture and Conservation Act.

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

MR. LYON presented a motion regarding Standing Committee on Statutory Regulations and Orders. (See Resolution in Committee of the Whole; Page 236 in Hansard).

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

MADAM SPEAKER: Orders of the Day.

MR. ROBLIN: Madam Speaker, before the Orders of the Day, if I may I would like to

(Mr. Roblin, Cont'd.) advise the Assembly of a resolution that has been received from the Legislative Assembly of the State of North Dakota in the following terms: WHEREAS during the year 1961 North Dakota celebrated the Centennial of the Dakota Territory; WHEREAS on June 17th, 1961, in recognition of the goodwill and continuing friendship between two neighbours and two nations, the Manitoba Legislature acted as host to the North Dakota Legislative Assembly at ceremonies at the Peace Gardens in commemoration of the Dakota Territorial Centennial; now THEREFORE BE IT RESOLVED by the House of Representatives of the State of North Dakota the Senate concurring therein, that on behalf of the people of North Dakota the 38th Legislative Assembly expresses its deepest appreciation to the Legislature of the Province of Manitoba, the Honourable Duff Roblin, Premier of the Province of Manitoba and the people of Manitoba, and restates its most sincere desire to perpetuate such goodwill and continuing friendship between two neighbours and two nations; BE IT FURTHER RESOLVED that copies of this resolution be forwarded to the Honourable Duff Roblin, Premier of the Province of Manitoba and the Legislature of the Province of Manitoba.

I'm sure, Madam, that all members would expect me to express our appreciation in very warm terms for the courtesy of the State of North Dakota in passing and forwarding this resolution to us and I'm sure they'd like to know that their resolution is being acknowledged by myself and by Madam Speaker in suitable terms.

MADAM SPEAKER: Before the Orders of the Day, I'd like to draw your attention to the gallery on my left where there are 33 Grade 8 students from St. Jean Brebeuf school with their teachers Sister Carmelle and Sister Patrick. This school is situated in the constituency of the Honourable Member for River Heights. We are pleased that you have chosen to visit us this afternoon. We hope that you will enjoy the proceedings and that what you see and hear will help you in your studies. We trust that you will visit us again.

Orders of the Day.

MR. HUTTON: Madam Speaker, before the Orders of the Day, I'd like to lay on the table of the House the annual report of the Milk Control Board of Manitoba for the year ended September 30th, 1962. A copy of the report will be made available to all the members of the House.

Before the Orders of the Day I would like to give the following information to the Leader of the Opposition who asked for a statement of the expenses of the Special Committee of the House on Livestock Marketing Systems. The total expenses to date are \$9,889.65. They are made up of salaries: stenographic \$6,412.59; travelling expenses \$3,091.60; telephones \$45.90; printing and stationery \$339.56.

MR. CAMPBELL: Madam Speaker, before the Orders of the Day are proceeded with, I would like to rise on a question of privilege arising from a newspaper report in the Free Press of March 13th. This report refers to a few remarks that I made in the House a couple of evenings ago and contains this sentence: "Mr. Campbell also attacked Mr. Hutton's contention that the Federal Conservative Government had done an excellent job in increasing Canada's wheat sales." Madam Speaker, I did not attack the job that the Conservative Government has done in increasing Canada's wheat sales; I attacked the statement that the honourable minister had made with regard to the wheat sales of the former government. I was very careful to say that I thought that both the former government and this government had good sense enough that they would both do their level best, and I went out of my way, I think, at least made it very plain that I was glad to see the wheat sales to China which I indicated I thought were the main difference in the wheat sales between the former administration and this one. I would not want it to be thought that in dealing with this matter that I attacked any government operation of that kind.

HON. GURNEY EVANS (Provincial Secretary and Minister of Industry and Commerce): Madam Speaker, before the Orders of the Day, may I lay on the table of the House a Return to an Order of the House No. 2, standing in the name of the Honourable Member for St. George.

MR. R. O. LISSAMAN (Brandon): Madam Speaker, before the Orders of the Day, I would like to once again this year on behalf of the Manitoba Winter Fair Board invite the members of this Legislature to attend the Manitoba Winter Fair during Fair Week, April 1st to 6th. I am sure that the members have always enjoyed this visit and the Board has always been most grateful to them for coming. It gives the members a chance to see some of the better livestock in the province; and also it gives the members a chance to visit some of their old friends and acquaintances at Brandon that week. I hope, Madam Speaker, the government will see its way

(Mr. Lissaman, Cont'd.) clear to accept this invitation on behalf of the Legislature because I know that all concerned will have an enjoyable time.

MR. J. M. FROESE (Rhineland): Madam Speaker, before the Orders of the Day, I'd like to direct a question to the Honourable the Minister of Education. Could he tell us whether there will be an increase, or whether there is provision in the estimates for an increase in teacher grants to the school districts in non-division areas?

MR. McLEAN: matter that will have to wait the consideration of the estimates of the department.

MADAM SPEAKER: Orders of the Day. The Honourable Member for St. George.

MR. ELMAN GUTTORMSON (St. George): Madam Speaker, the Minister of Utilities has recommended that I change the wording of my Address for Papers. I would ask that this matter be allowed to stand in order for me to consider his request.

MR. ROBLIN: I beg to move, Madam Speaker, seconded by the Honourable Attorney-General that Madam Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

Madam Speaker presented the question and after a voice vote declared the motion carried, and the House resolved itself into a Committee with the Honourable Member for St. Matthews in the Chair.

MR. CHAIRMAN: Department II, Item 5, Libraries and Historical Research.

MR. EVANS: Mr. Chairman, before starting on these Estimates I'd like to provide the Honourable Member for Lakeside with some information that he requested the other day as to the total number of subscriptions to Hansard. I have three years: in 1961, there were 226 paid, 252 free, for a total of 478; in 1962 -- 172 paid, 252 free, for a total of 424; 1963 -- 119 paid, 252 free, a total of 371.

MR. ROBLIN: Mr. Chairman, I'd also like to give the Committee the information now about the Rainbow Stage Grant that I was a little uncertain of yesterday. Their grant consists of a \$2,000 basic payment, plus a \$2,000 inducement payment to be matched by certain public subscriptions, giving them a total of \$4,000.00.

MR. GRAY: Mr. Chairman, before dealing with Section 5, I want to pay a compliment to the Librarian and the staff for their always willingness to furnish all information required by the members, at least by myself; they're going out of their way to try and educate the members of the House with the necessary information necessary for them to carry on.

Now in connection with the estimates there is something that I fail to understand. We have the -- I'm not speaking about the salary -- the supplies, expenses, equipment and renewals has been reduced from \$27,000 to \$23,000.00. We find in the Public Accounts on page 77 that the is \$19,000 -- well, there's something which I cannot say and I'm not questioning it -- but I cannot realize in an estimate amount of the total of the estimates we find that only \$549 was spent on books. We have one of the most wonderful libraries in the country, very many reference books and so on; but the Minister in charge of the Library must realize that since 50 years ago when the Library was established in the same form as it is today there were many changes in this world, particularly lately in the last 10, 15 years there's an entire change in thinking, in information, in ideas and perhaps also in ideals. Many, many books have been written, important books, important books for those who patronize the library and important books for those who make use of them. And how is it possible that in one year only \$500 was spent on books when there are so many new books and very few now take an advantage of the books that are on the shelves in the library.

The world is progressing one way or the other, or regressing, but there are new ideas, new thoughts are coming up for the information and the enlightenment of the public in general and those who patronize the library. How do they get along with \$500 to replace a library which has accumulated in the last seven or eight years with thousands of important books which unfortunately very few may take advantage of this. So I think we are penny-wise and pound foolish. It's simply that if anyone reads the particulars about it he will be amazed -- a library of its size, a library of its importance, a library of its value, should only spend \$500 for new enlightenment on new books which are coming up on the market day in and day out, books which the young people would be better off to read now in the time they are allotted to read books than the books that are there almost solely for reference.

MR. McLEAN: perhaps for the benefit of the new members of the Legislature it would not be out of order just to point out that one of the members of the Executive Council is given the responsibility for those items which appear under Appropriation No. 5 in the Executive Council and is generally referred to in the terms of being the Minister in Charge of Library. I hasten to point out that he does not receive any extra remuneration for this very delightful task. There are, as the estimates indicate, a number of things associated with this responsibility. That of the Legislative Library which is the library that serves this Legislature, the members and the various government departments. There are the responsibilities which we have in respect to public libraries which are municipal libraries or regional libraries established throughout the Province of Manitoba. The Legislative librarian to whom the Honourable the Member for Inkster has paid a fitting tribute is also the Director of Library Services and combines in her responsibilities both of those jobs. Of course, the others on the staff of the Legislative Library share the work that is carried on with respect to the public libraries throughout the province. In addition there is associated with this work, the department or departmental library, in actual fact there is only one, it is the library for the departments now of Health and Welfare -- formerly the Department of Health and Welfare -- which is in a separate location, but which is part of the responsibility here and for whom provision is made in this particular group of estimates. Then there is the Archives and Historical Research which is also part of this group. It is of particular importance to perhaps repeat the fact that the Legislative Library is a library established by statutes and for the service of the Legislature of Manitoba and in that sense it is a "reference" library; it is the sort of library where the type of information that is essential to government and the functions of government, are provided; it isn't a public library in the sense where people come and borrow books in what we ordinarily understand in respect of libraries.

Then as I have already indicated there are the public libraries established under the provisions of the Public Libraries Act which are either Municipal libraries, that is to say libraries which are established by and serve one particular municipal corporation, as for example, the City of St. Boniface or the Town of Dauphin; and regional libraries which serve two or more municipal corporations. As you examine the requested funds here it will be noted that there is very little difference between the amount of money that is asked for for the coming fiscal year and that which was approved by this Committee and the Legislature a year ago. And generally speaking, the increase represents the increased increments in the salaries of the people who are employed in the Legislative Library and in the other functions which are indicated. There is no provision here for any change in the grant formula to public libraries and essentially no change in any of those matters which fall within the purview of this group of functions.

During the past year there were additions to two different regional libraries, one being the Municipality of Binscarth which voted to join the Russell and district regional library and the Municipality of East St. Paul which voted to join the Henderson Regional Library. This is a development which we welcome and indeed which I personally hope will continue. In the beginning each regional library must have at least two municipal corporations. We have made provision for additional municipalities to join an existing regional library if it is their wish to do so, and the two that I have mentioned are the first two that have occurred under that heading; and as I say it is a most welcome development and one which we hope will increase. There are established grants of \$2,000 each paid in respect of the additional municipalities that have joined their respective libraries and they, of course, will earn annual operating grants the same as the other municipalities do.

We now have in Manitoba, nine regional libraries serving 21 municipal corporations together with 10 municipal libraries which serve cities and towns, and 55 percent of the people of Manitoba are now served or provided with library services. Of course one must remember that that 55 percent is to a large extent urban population when one considers the Metropolitan area of Winnipeg which is now served by a number of city and municipal libraries.

During the past twelve months the Regional Library of Ste. Rose which had been approved previous to our last meeting opened officially and is now in full operation. This library has its primary or main branch or main office or main library -- I should say office -- located at the Village of Ste. Rose and two branches, one at Laurier and the other at Ste. Amelie. The St. Pierre Regional Library will open on April 7th of this year and it is comprised of the rural

(Mr. McLean, Cont'd.) . . . municipality of DeSalaberry and the Village of St. Pierre. They will have their principal library at St. Pierre with branches at Otterburne and St. Malo. The interesting thing about these two regional libraries are that they are known as bilingual libraries, the first two regional libraries to fall within that particular category.

The matter of information is because one of the problems that we have in reference to library services in Manitoba is that of a sufficient number of qualified professional librarians and we do what we can to promote people, promote the training of people for that service. There are at present three students on scholarships provided by the Province of Manitoba, through the Department of Education, all of them with their Arts Degree who are now doing their work toward the earning of a Bachelor of Library Science -- one at the University of Toronto, one at McGill and one at the University of British Columbia. They are there on scholarships -- in part at least -- on scholarships provided by the Province of Manitoba.

With respect to Archives, I would just like to report to the Committee that Mr. Bowsfield who is well known I am certain to all the members of the Committee is presently on educational leave at Lehigh University in the State of Pennsylvania, United States, to further his training in his chosen field; and being on educational leave he is in receipt of his full salary, plus \$100 a month to cover his expenses. This makes a slight difference insofar as our estimates here are concerned because once he is on educational leave his salary does not appear in the estimates that are before you here, but rather is taken care of through another appropriation, through the Department of the Provincial Secretary under the Civil Service Commission, and to that extent there is a reduction in the amount here although it is made up to Mr. Bowsfield from the other appropriation. He will, of course, return to the Province of Manitoba and I am certain that we shall benefit by the added training which he is securing at the present time.

Two interesting developments, or two interesting matters that I think I should mention to this Committee at this time -- one having an important bearing upon the work which is carried on under the general area of library services in Manitoba -- and that is the Institute of Technology which we are rapidly bringing to a completion from a construction point of view; getting ready for the classes which will be starting there within the next few months. When we first began thinking of this some years ago, a few years ago, because of my knowledge of the problems associated with providing library services and staff I felt that it would be worthwhile if we would include in our provision in that institute some training for library people, and as a result we are going to have a course in the Institute of Technology -- I'm not too certain what the title will be given to those who are trained -- probably library technicians -- that name for the present will indicate the type of training that will be given -- and we look forward to this providing a method of training to those who are interested in library work and to providing a number of people who will be of great assistance in our Legislative Library and in the public libraries of Manitoba -- indeed, of Western Canada, because I believe that we are the first to institute this type of training in Western Canada at least, perhaps even in all of Canada. The term will indicate the type of training, these will not be professional librarians, they will be high school graduates who desire to work in library work and who may do much of the important work that is necessary in libraries without necessarily having the professional training which is, of course, of much longer duration.

I report to the members of the Committee, Mr. Chairman, the fact that this year in June the annual meeting of the Canadian Library Association will be held in our province, here in Winnipeg. This is the first time that this annual meeting has been held since 1949 and it is expected that some 500 people, both professional librarians and other folks associated with library services throughout Canada will be with us on that occasion. We in the -- so far as the government are concerned are going to do our best to make their stay here pleasant and worthwhile, and I think there are many things that we will be able to show them that will be of interest. I was pleased to learn that Mr. Helmquist, who is the responsible head of the library services in Sweden will be one of the special speakers to be present on that occasion.

Now, Mr. Chairman, perhaps before I just conclude these brief remarks, I might make reference to the points which have been raised by the Honourable Member for Inkster. This is a matter which troubles him greatly, and troubles him every year, and I think perhaps that he and I have some different understanding of the amount of money that is spent on books. He referred to \$500 being spent; the information I have is that \$5,000 was spent on books -- and we

(Mr. McLean, Cont'd.) . . . are talking now about the books for the Legislative Library. But the honourable member is overlooking something that I have mentioned before -- that the Legislative Library is a depository library and receives many books and publications without charge; just as indeed we send publications from Manitoba to other libraries. And while one could say, and indeed it would be true, that \$5,000 could be well spent; \$25,000, a million dollars, could all be well spent on the purchase of books because I'm certain that the books are in the world to be purchased -- there's no question about that. However, balanced against our resources, and bearing in mind that we do receive the types of books that are necessary for our library, I believe that we are doing not too well.

I have for example before me -- (Interjection) -- that's right, well, pardon me. I always make some error in the presentation of these estimates; if that's the most serious one, perhaps I'll be lucky to get through with that. I have the list of books in one six-month period that have been acquired -- called accessions to the Legislative Library is what I'm now speaking about -- in a six-month period in the year 1962, and I find under the heading Biography a large number of books, including one for example on Mr. Churchill, that great British statesman, written by his nephew; a book on Catherine the Great, and others -- one on Neville Chamberlain -- just to indicate the types of books that are coming in. In history we have Anderson's book on the Riel Rebellion of 1885; The Champlain Society publications -- I'm sorry, that's the Canadian Journal of Lady Aberdeen, provided by the Champlain Society of Publications. The book by Grant on the Far East. A book with respect to the History of the Hitler era in Germany; Hugh McLennan's book on "Seven Rivers of Canada"; McCrear's book on "French Canada Today"; Helen Taft Manning's book on the "Revolt of French Canada" and so on through the list in the general area of history. In political science we have an excellent book which I commend to all the members of this Committee and Chamber, Professor Dawson's book on Procedure in the House of Commons, printed by the University of Toronto Press. This is one of the outstanding books on parliamentary procedure and I commend it to you. It is in the library; it is one of those that we have received during this period that I speak of. We have one on the Independence of Africa, on Ghana and Sierra Leone. A book on the Metropolitan Problem and American Ideas by Gulick and so on down -- the political science section appears to be the longest by quite some ways. The latest book by Professor Norman Ward, "The Public First", a study in Canadian democracy, a very excellent and delightful text for all of us. In the field of social sciences, I notice one by my former professor and great friend, the late George Britnell on Canadian Agriculture in War and Peace; and the Communist Blueprint for the Future, a book on Faith, Sweat and Politics, which is a book on the early trade union years in Canada. One is the latest book by John Kenneth Galbraith on Economic Development in Perspective, and so on down the list through the social sciences. And in miscellaneous books there are many here of equal interest along the general area that I have mentioned.

And so, Mr. Chairman, without undertaking to make any particular defence -- that's not of any concern to me at this present time -- I would point out, first of all, that we're spending more money, indeed, \$5,000 is the amount that is indicated to me, on the acquisition of books, but in actual fact this is not the important part of the acquisitions which we have because the books, many of the publications that are received, microfilms, statutes, reports and other matters of importance come to us without charge.

MR. PAULLEY: Mr. Chairman, I'd like to ask a couple of questions of the ministers. First of all, has he read the books which he has just referred to? And the second question, has the library expanded its book shelves with the latest edition of the latest comic book available in the Dominion of Canada?

MR. McLEAN: The answer to the first question, Mr. Chairman, is, not all of them; the second is "no".

MR. MOLGAT: Mr. Chairman, I want to thank the minister for the statement that he made on this very important subject and also to agree with the comments of the Honourable Member for Inkster insofar as his comments about the Legislative Library staff here. I have occasion to use their services fairly frequently and I'm always amazed at the speed and accuracy with which I get the information that I ask of them, and I'm sure that if all members of the House were to make use of this, they would find exactly the same service. In addition to this I can say that the staff were very helpful in assisting us in the Rural Municipality of Ste. Rose

(Mr. Molgat, Cont'd.) . . . and in the Village of Ste. Rose in establishing our library in the past year, to which the minister referred. The staff here were very helpful to the individual who was sent down to prepare the material for our own library and certainly without their help both -- and in particular outside of regular hours -- I'm sure that we couldn't have got it established. The Minister was kind enough to come to the opening of the library, as well as the lady who operates the Provincial Library here, and some of here assistants, and we were very pleased to get it going. As the Minister mentioned, it was the first bilingual library, I believe, established in rural Manitoba and so far it is operating successfully -- we're looking forward to continued assistance from the government.

I wonder if the minister would indicate -- he said in his statement I believe that he planned no changes at all in the establishment or structure of the regional libraries. Are there any indications of more libraries coming on this year in rural Manitoba?

MR. McLEAN: Perhaps I could just answer that question, Mr. Chairman, by saying that there is a possibility of a library at Portage la Prairie -- there was a vote held which carried in the City of Portage la Prairie but was lost in the Rural Municipality of Portage la Prairie. There is some thought that this may yet be successful. Libraries are under consideration at Roblin, that would be the Town of Roblin, and the Rural Municipality of Shell River; also under consideration at Steinbach, Morden and Cartwright. These are all under consideration and I believe that Miss Morley, the Director of Library Services, has already met with a number of the people concerned and has further meetings arranged. These are all prospective libraries that might be approved this year, that is, in 1963.

MR. SAUL CHERNIAK (St. John's): Before speaking on this item, Mr. Chairman, may I direct a question to the Minister? I note from the Public Accounts of '61-62 that although some \$162,000 were budgetted, only \$97,000 was spent, leaving an unexpected amount of approximately \$65,000.00. Most of that unexpended portion seems to have arisen under item 5 (c), Public and Regional Library Grants, and I would like to know if the Minister can inform us as to the amounts actually expended or estimated to have been expended in this last or current fiscal year compared to the amount allocated, and then I'd like to deal with it.

MR. McLEAN: Mr. Chairman, that would be a matter for Public Accounts, but I would say that you will find that the amounts approved by the legislature a year ago have been spent. The reason we changed our system, Mr. Chairman, and there used to be a time when I was first associated with this, where we had to estimate what libraries might be approved by a vote, and on the occasion the Honourable Member for St. John's has mentioned, we had anticipated the formation I think of -- I've forgotten -- some two or three libraries, and they were either not voted on or they were defeated when they were voted on, with the result that we didn't need as much money to provide for grants, and hence the difference in the actual amount expended. We have changed that, however, so that without going into the rather minute details, we know now as we present these estimates the exact amount that will be required to pay the grant to all existing libraries for the term of these estimates.

MR. CHERNIAK: Mr. Chairman, I might point out as a new member that I have found myself hampered in assessing the matter before us due to the fact that we have not been given the information as to the estimated expenditure for this current year, and therefore we have to live in the past in terms of dealing with the Public Accounts. I understand that the Ministers do have this information, and all we have to do is ask for it, but I would point out, Mr. Chairman, that it is difficult, just as yesterday, when we wanted to know what the grants were, we got the list so quickly, we couldn't study them. I have been told by members of both the opposition and of the government that the reason we don't have it is that it isn't done. I suppose that's a good reason, although I've yet to fully understand it.

However, I now understand from the Minister that it is expected that \$62,000 will have been expended on the annual grants. I don't know, Mr. Chairman, the extent to which the government of this province assumes the responsibilities for, or is willing to take credit for, the growth in libraries in this province. I know that in recent years there has been a most exciting development in the growth and use of libraries, and I have attributed that to the people, the professional librarians who are in charge of the libraries, and to the extent that this province is helping three prospective librarians acquire the technical knowledge that they need -- I think that is good. But I must say, Mr. Chairman, that in watching the development of the

(Mr. Cherniack, Cont'd.) . . . libraries in the City of Winnipeg, which makes up I assume a substantial part of the 55 percent that the Minister referred to, of the province that are serviced by libraries, I would point out that until two or three years ago, there had been no branch library built in the City of Winnipeg since, I think, 1913; and I think that no public funds were expended on capital construction of libraries in the City of Winnipeg until 1959 or about that year. Now I am wondering to what extent this government tries to stimulate the growth or expansion of libraries in the province. I realize this government will not accept responsibility for the history of the slow movement in libraries up to 1958 or '59, but I don't know that it's entitled to take much credit for what has happened since that time. And now I speak about the City of Winnipeg because I know best about it.

As I recall it, the problem of attempting to get the River Heights library constructed was not helped in any way by any financial assistance from the province. When I say that -- if there was any assistance, it was so negligible that it wouldn't have helped had it been doubled. I might also say, Mr. Chairman, that this to me is just the same as any other field of education -- in this case of course it encompasses adult education as well -- and I would think that this government must do its best to stimulate the demand for libraries, and the Minister pointed out rightly that as long as by-laws are presented to taxpayers for libraries, and as long as they are defeated, then the government cannot make the contribution that it would otherwise make. I would point out that libraries are amongst the last of the services which the taxpayers are willing to vote on because the load that they are carrying is already too heavy on them. And the history in the City of Winnipeg would parallel the history described in Portage la Prairie in that by-laws are presented and defeated. I would also point out that the City of Winnipeg which is now struggling with a prospective increase in mill rate of -- it was 6, and it now appears to be 5 -- will find it -- and I don't know that it's so, but I'm forecasting that it's so -- will find it easiest to cut the budget of the libraries, of recreation -- which I think they did yesterday -- and of social welfare, and I would point out that a budget of \$72,000 for grants for libraries throughout this province -- and I'm assuming this is the only item which is there to assist the libraries in the province -- is an inadequate amount and is only there as a service to existing libraries and is certainly not a stimulation to the municipal organizations which are required to bring about a library. Libraries are one of those things that people cannot appreciate until they really have -- as I found out only too recently when I wanted information and discovered I could get it from the Legislative Library which was most helpful in providing it to me. Until you know how you can use a library you don't recognize the loss that you suffered by not having one. And unless this government takes seriously the problem of provincial libraries, if it assumes that it is its responsibility, we will continue to have a very slow growth in library construction in this province.

MR. CHAIRMAN: (a) passed, (b) passed, (c) passed, (d) passed.

MR. MOLGAT: I just want to check in (c) again. At the moment the rules are there must be two municipalities to form a regional library. I asked this of the Minister last year, and he assured me he planned no changes; I assume that this year is the same, no change is planned.

MR. McLEAN: That is correct; no change.

MR. FROESE: Mr. Chairman, by saying two municipalities, a town would be considered a municipality, would it?

MR. McLEAN: . . . municipal corporations, it may be any city, town, village . . .

MR. CHAIRMAN: No. 7 passed.

MR. MOLGAT: I don't think we passed it have we -- The Historical Research. Now, does this come under the Minister of Education, or does it come under the Minister of Industry and Commerce?

MR. McLEAN: . . . responsibility here which is very difficult to define. I think Archives and Historical Research is in this group, and that the Minister of Industry and Commerce has the Historic Sites' work -- that is, he looks after that.

MR. MOLGAT: The minister indicated that one of the salaries under here, Mr. Bowsfield, is no longer or at this moment not covered by this particular appropriation. Is that correct?

MR. McLEAN: Well, I think three months of it is just to take care of the portion then he

(Mr. McLean, Cont'd) will be actually back from his

MR. MOLGAT: Oh, it's just a question of three months?

MR. McLEAN: Pardon?

MR. MOLGAT: It's just a question of three months.

MR. McLEAN: Well, three months of his salary is in this; nine months that would normally be there if he were on the job all the time is not in.

MR. MOLGAT: I see. Well, what I was going to question was the drop indicated here. Is there a change in staff, or what is the -- see the drop is of actually some \$2,000, not quite. Now has he been replaced while he's away or what is the

MR. McLEAN: They are carrying on without him during his absence.

MR. CHAIRMAN: (d) passed.

MR. MOLGAT: In that case there should be a larger drop in salary, should there not?

MR. A. E. WRIGHT (Seven Oaks): Mr. Chairman, I would like to ask a question here; I don't know whether it's the proper place, but I don't see a place under Mines and Natural Resources. In regard to Lower Fort Garry -- the historic site of Lower Fort Garry. I understand that the federal government have now taken over that historic site. I would like to ask the question: is there any arrangement with the federal government in which the province shares in the matter of maintenance or anything like that?

MR. McLEAN: Mr. Chairman, if the Honourable Member for Seven Oaks would ask that question when the Minister of Industry and Commerce -- that comes under his direct responsibility.

MR. GUTTORMSON: Mr. Chairman, has the government gone ahead with that Lord Selkirk Park?

MR. McLEAN: Pardon? That's Historic Sites, under the Minister of Industry and Commerce.

MR. GUTTORMSON: You prefer it raised on another point, do you? Do you want it raised later on?

MR. McLEAN: Well, yes, I'm trying to find -- I take it the Honourable Leader of the Opposition wants the arithmetic on that (d). Now

MR. MOLGAT: My only question was, if Mr. Bowsfield is not covered by this, then there should be a much larger drop in the salary figure, if his salary is being covered elsewhere, or else we have added staff.

MR. McLEAN: Yes, Mr. Chairman -- the notes always come from heaven in answer to these questions -- we did add an Archivist Assistant and his salary is included here.

MR. MOLGAT: This is basically what I was interested in, whether the department has proceeded to expand in this field of Historical Research or not, and apparently, if they'd added one other person they are proceeding with some expansion. Now, did I gather correctly that on matters of historical sites -- for example, Grand Rapids or the question of my honourable friend, will we leave this until we come to Industry and Commerce; or do you want to discuss it now?

MR. ROBLIN: It all depends on the exact item. The Historical Sites of the sort that have been mentioned today do not come under this department. The Historical Sites Advisory Board will be I think dealt with by the Minister of Industry and Commerce. Now there's another complication here because some historic sites that members might be interested in come under Mines and Resources and some under Public Utilities. If you wanted to ask about the Grand Rapids investigations, etcetera, I'd rather fancy the Minister of Public Utilities would have the answer to that one. If you will just let us know the nature of the question we will try and advise you where the answer comes. But I think the questions asked so far today on this subject do not come under this Minister.

MR. MOLGAT: Mr. Chairman, I am not too concerned exactly when they take them up as long as we have an opportunity to take them up. The question I'm interested in is what has happened insofar as the research at Grand Rapids. I know that he had someone from the American side up here doing some work for us, and I would like to know how this is going on. Now if it's today, fine, if not, tell me when.

MR. ROBLIN: I think the Minister of Public Utilities will take that as notice.

MR. CAMPBELL: Mr. Chairman, I have to ask a question that I think would come in

(Mr. Campbell, cont'd) the responsibility of the Honourable the Minister of Industry and Commerce, and that's the type of historical site that the Honourable Member for Gladstone was mentioning yesterday. What progress report have we to hear with regard to these historical sites? I wasn't going to name the one at Flee Island specifically but my honourable friend mentioned them yesterday; another honourable friend has mentioned them now. Has there been any further development in that regard -- and they're only characteristic of a lot of others?

MR. EVANS: This, Mr. Chairman, it's quite a complicated business because even I'm not sure under which department various responsibilities come. It may well be that some of the things at Grand Rapids come under the Forebay Committee that was established under the Department of Mines and Natural Resources. Even the whole thing might be the responsibility of the Minister of Utilities. I would hope that we would be able to glean from Hansard as we go along as many -- a list of the historic sites that are of interest to the members. I for one will try to co-ordinate this information and see if we can get it from the suitable sources and provide replies. Perhaps the best time would be to gather all these and then -- if my colleagues agrees -- report on my Estimates; but I want to see that as much information is provided as possible. At the moment I am sorry I didn't hear the Honourable Member from Gladstone make his request yesterday, but I'll see that these things are looked up and get as much information as we can.

MR. PAULLEY: Mr. Chairman, I think on this general point that it might be advisable to suggest to the government that there be a reallocation of -- by taking out of the Department of Industry and Commerce for instance or the Department of Mines and Resources in consolidating historical sites into one item or into one responsible Minister in order that we would be in a better position to know the historical sites in a more consolidated manner.

MR. EVANS: All we can say is we'll do our best under the items as they stand now.

MR. PAULLEY: Yes, I just make that as a suggestion.

MR. CAMPBELL: intention to discuss some of them on this item or

MR. ROBLIN: if it suits the convenience of the Committee that the Minister of Industry and Commerce will answer on these points when we come to his Estimates, and members can either in the Committee or privately advise him of any particular thing that they're interested in, and he can make sure that information on that point is available.

MR. CAMPBELL: Do we have an item that shows in either of those that will recall to our mind in case the Ministers don't remember to cover them? Such matters as historical sites?

MR. ROBLIN: can be done on the Minister's salary, if there is no other convenient place.

MR. MOLGAT: Mr. Chairman, before we leave this one I'd like to bring the Minister's attention to one that I brought up last year and did not get a reply to and that's the one at Kinoshota; it's been requested in the past from the Historical Sites Committee; it's an old Hudson Bay Post where there are still some markings and it was requested to have a marker established. So if he'll give me the answer later, fine.

MR. EVANS: I very much regret my honourable friend didn't get his information last year; I really wasn't aware that there was any item not answered last year.

MR. McLEAN: Mr. Chairman, I'd like to point out that I gave the Honourable the Leader of the Opposition incorrect information, in reference to the fact that Mr. Bowsfield is away. The archival assistant was added to the staff -- will be added to the staff April 1st, 1963 to take care in part of the fact that Mr. Bowsfield is absent for most of the year. This is not a permanent addition to the staff necessarily; it may turn out that way, but it's not necessarily intended to be permanent.

MR. CHAIRMAN: Resolution 7 passed. Resolution

MR. CAMPBELL: Mr. Chairman, if we are expected to put on record some of the matters that we would suggest that the Minister look into, then I would like to once again remind the Minister of the three old Indian battlegrounds out in the general Flee Island-St. Marks area. These are rapidly disappearing. The fact that they have stood up for something close to a hundred years, and being earthworks at that, I think is quite remarkable; but they seem to have reached the place where they are not going to remain in very good repair for much

(Mr. Campbell, cont'd) longer. Now whether some renewal is projected, I don't know; I do know there has been an Order-in-Council passed regarding one or two of them -- I believe it missed one of them. Tradition has it that they were established almost immediately after the time of the Custer Massacre in the United States and I would suggest that those be checked on as soon as possible.

Then I understand that in Westbourne district that some department of the government has already taken some action with regard to a small piece of land right beside Perry Park -- is that correct, on the White Mud River? I'm told that Perry Park itself in the early days was a rather famous old Indian encampment and that some little piece of land has already been appropriated by some department of the government with the intention of making it into a historic site.

I would like the Minister to take notice of at least those three or four suggestions and I believe that the Member for Gladstone mentioned one other.

MR. SHOEMAKER: Mr. Chairman, the one I referred to is listed in the Manitoba Gazette of February 19th, 1962 along with the ones that already has been referred to you by the Honourable Member for Lakeside. There are quite a number in that publication of the Manitoba Gazette, February 19th, 1962, and the one in particular that I refer to is the Arden campsite.

Now, I can understand the government not knowing under which department we should deal with this matter because in the annual report of the Legislative Library in the Province of Manitoba, under page 8, it is a report that is made to the Honourable Stewart E. McLean, Q.C. -- it's made to him. But then in this regulation I refer to it simply says at the back that the order made by the Minister charged with historic sites, but it doesn't say who he is, on that one. In this one in the annual report of Mines and Natural Resources it does say what my honourable friend is responsible for and it's on Crown lands only apparently, that is historical markers on Crown lands, and so on. Effective April 1st, 1961, the assumed responsibility for planning, development and administration of all parks and recreation on provincial Crown lands. I did want to say something, Mr. Chairman, on these markers that are put up by, I judge, the Minister of Mines and Natural Resources, this type that you see all over the province, but I suppose that I could bring that up when we're dealing with the Estimates for Mines and Natural Resources.

MR. GRAY: not knowing which of the sites are important or not, and there are so many being suggested, may I suggest another one for all it's worth. I'm not insisting, but I thought perhaps while consideration is given to others it may be also to the one I will suggest. And this is to protect at least one or two in the province, or more, the old houses of worship which has been built here in a primitive way 60, 70 and 80 years ago by many denominations and now that they are putting up beautiful structures which probably will last hundreds of years, I think perhaps for the future generations it may be worthwhile for them to see how the early settlers in Canada have worshipped their God in homes or in houses or in buildings which look like shacks to the buildings that which are being built today, and if there is any interest to perpetuate the sites and memory of so many institutions perhaps this also will be given some consideration.

..... Continued on next page

MR. CHAIRMAN:II, 7 passed. Resolution 8, Item 6.

MR. ROBLIN: There's not much to say here, Mr. Chairman, that is not explanatory in the material provided here, which is just the money to provide for the operation of the Royal Commission on Local Government and the investigation into the -- that's the main item here -- "The preparation of material for the Royal Commission on Taxation (Canada)" is a little misleading as it is not likely that we'll be making a presentation to that body.

MR. MOLGAT: Mr. Chairman, did I hear the Minister correctly to say that they would not be making a submission to the Royal Commission of Canada? I'm rather surprised that the government doesn't intend to do so, Mr. Chairman. It seems to me that the Canadian Royal Commission, which will be investigating the whole structure across Canada, should hear from this government as to what its views are on this whole subject. How can they possibly make a report unless we, as one of the interested parties of the province, are prepared to tell them what we would like to see for the Province of Manitoba and our views on this whole subject?

MR. ROBLIN: At first glance, one would think that the point made by the honourable gentleman is one that should guide us, and I must admit that on first consideration of this problem that was my own opinion, but there are two implications in this matter which make it rather questionable in my mind as to whether we ought to do this. The first is that in effect this is a Royal Commission that will be reporting on our own taxation because it will affect the question of personal income tax and corporation tax mainly, and that we are in a similar position exactly as the Government of Canada is, and so we would be in the position in a sense of appearing before a Royal Commission that is investigating something which is our tax policy at the present time. The second thing is -- and probably this is the more important -- is the fact that if we got into this field, if we make a presentation, we're really going to be in the field of Dominion-Provincial fiscal relations, and it does not seem appropriate that we should be making a recommendation to this commission on a subject which is really a question for negotiation between the governments concerned. Unless the Royal Commission's been set up for that specific purpose -- which, of course, it has not in this case -- we've come to the conclusion that -- and we might say we discussed this with the Chairman of the Royal Commission although I'm not authorized to state what his views are -- we discussed this with him, and all things considered it seems to us it would not be appropriate for us to make our recommendations to this Royal Commission. Now when the Royal Commission reports I imagine that at that stage there will be further developments in this field. I certainly am quite convinced that if it makes any changes in the tax structure, it will immediately become a subject for Dominion-Provincial fiscal discussions and I think that is the stage where we would be prepared to take part and to put forward our views. But it seemed to us that at this stage it was the arena where the general public and those who are paying these taxes should have their chance to say what they think about the tax structure as such, and for the two main reasons that I mentioned, we concluded that it perhaps would not be advisable to appear there ourselves. In the first instance I thought we would, but on consideration and discussion with the people concerned it now seems unlikely that we will.

MR. MOLGAT: What are the other provinces doing in this regard? Are they following the same course as the Province of Manitoba, Mr. Chairman?

MR. ROBLIN:

MR. MOLGAT: Well it seems to me, Mr. Chairman, that it might be wise for the Government of Manitoba to check this because supposing we find that other provinces do go ahead and make their presentation and Manitoba doesn't, it could be assumed by the Royal Commission that either Manitoba is not interested, or that Manitoba is satisfied with the present structure, and then we might not be in a position when the report is finally made to have any influence on the final decision. If all provinces are agreeable to this course then we're all on the same basis, but if certain provinces proceed and we don't, then I think we're putting ourselves in a difficult position.

MR. ROBLIN: Mr. Chairman, the Royal Commission is fully aware of our stand on the matter, and I don't think there's any question of their making any assumptions about our views, but I think our views should properly be expressed at a later stage in what we envisage to be a continuing discussion between the Federal Government and the provinces on this Commission.

MR. MOLGAT: Well then, this section here, the latter part of this particular statement, "The preparation of material for the Royal Commission on Taxation (Canada)" should not be included in this at all.

MR. ROBLIN: Not entirely, because my honourable friend will remember that in our own Royal Commission on Local Government Finance one of the terms of reference is that they are to co-operate fully with the Federal Royal Commission, and we are arranging for interchange of information of various sorts on request or on our motion with respect to information that we may deem basic factual matter that we could provide in respect of Manitoba, but not in respect of argument -- that comes later.

MR. CHAIRMAN: Resolution 8 passed

MR. MOLGAT: Could the minister indicate when it is expected that our own Royal Commission will be making its report? When can we expect that they will be having public hearings, and the progress?

MR. ROBLIN: Well, I think my honourable friend will remember that in the newspapers recently a full advertisement appeared giving the schedule of proceedings for our own Royal Commission. I have a copy of it here, and hearings will commence in Room 200 of this building on May 21st and continue for a week, or longer if necessary, and that after that time hearings will be held in Brandon, Dauphin, The Pas and other places deemed advisable by the Commission for those hearings. So the public generally has been put on notice about the beginning of this month by means of these press releases from the Royal Commission on Local Government Organization and Finance as to when and where they will be requested to submit their briefs. Now as for the report of the Royal Commission, of course no one can say when that will be. The Chairman has expressed the hope that he will be able to report on parts of this matter, particularly those that deal with finance as opposed to organization, sooner than -- perhaps before the end of this year. I know that is his target, and it remains to be seen whether he is able to meet it or not. But we are saying to the Royal Commission that we're extremely anxious to have the whole matter dealt with as expeditiously as the facts in the situation allow. It's not an easy task they've been assigned but I'm hopeful that he will be able to report within the time limit that he himself has sketched out.

MR. MOLGAT: What use does the government plan to make of the Fisher Report, if we may call it such, of which we got copies in the last few days insofar as this particular Commission and the work that the Fisher Committee has done or their personnel?

MR. ROBLIN: Mr. Chairman, I don't think it would be appropriate for me to say what use the government is going to make of it at this stage -- that remains to be seen -- but I think I can deal with the substance of my honourable friend's question in this way. I regard -- we regard the report of the Fisher Commission, or as I should say the Municipal Enquiry Commission, as being a very important document indeed because it represents the considered views of some of the most experienced people in municipal government with respect to their problems as viewed from their particular point of view, and as everyone knows, this report is being submitted to the Union of Manitoba Municipalities and also to the Manitoba Urban Association relatively soon -- I think the 21st of April, is it, or 2nd of April; some relatively early date -- and until it is reviewed by those two bodies we will not know what the stand of the originators of this Commission is. We've had what you might call a recommendation contained in the Municipal Enquiry Commission; we're now interested to see what will be done with it by the bodies to whom they report. And I dare say when it is considered by those two bodies, they in turn will make some suggestion or proposal to us as to what should be done about it, and the first thing that we have to do is await the review of this matter by the two municipal bodies concerned, and see what action they take. Now that's one thing.

We are very anxious to make the best use of the labours of that Commission and of the material that they've examined and of the opinions that they've expressed, and when the terms of reference of the Royal Commission were set out we included in those terms a provision that they should take into account the findings of this Municipal Enquiry Commission as and when they're approved and finalized by their parent bodies and become their settled policy. So that there is provision made -- and this is deliberately so -- provision made to have the Royal Commission take full cognizance of what has been done by the Municipal Enquiry Commission. I am sure that the work of that Municipal Enquiry Commission is going to ease considerably, or add considerably, to the work of the Royal Commission. It is breaking up

(Mr. Roblin, Cont'd) . . . much of the ground that needs to be looked into, and we're going to get, I am sure, considered and valuable recommendations and views when that matter is finally dealt with. So that there is a close relationship between the Municipal Enquiry Commission and the Royal Commission in respect of this matter, so that we hope that the good work that has been done will be utilized to the full in the work of the Royal Commission. So those are the steps: first of all that the Manitoba Urban Association and then the Union of Manitoba Municipalities will make their findings with respect of the Municipal Enquiry Commission, and then it becomes a subject matter that will be before the Royal Commission itself.

MR. MARK G. SMERCHANSKI (Burrows): Mr. Chairman, I'd like to more or less leave the thought with -- whether or not the government has considered the matter of the Royal Commission in reference to the promotion of new industry and industrial growth, because this has a direct bearing on what the present taxation is, and if it's not going to be submitted to the Royal Commission at the present time, at what stage it is likely to be submitted, if it will be submitted at all.

MR. ROBLIN: Will the honourable member be kind enough to explain his point again. It eludes me at first hearing.

MR. SMERCHANSKI: In reference to the economic study for the future of Manitoba and in order to promote the growth of industry and industrial growth of the province, the matter of taxes is a very important part in reference to the growth of business in the province, and naturally there's many items of taxation that will be coming up in order to help and assist the industrial growth of industry in this province. Now will that be submitted to the Royal Commission at this stage, or will it be submitted by the government under its summarized submission to the Royal Commission on Taxation?

MR. ROBLIN: I would expect that the question of the tax incentives for industry, if that's what my friend is talking about -- I presume he's talking about the relationship between COMEF and the Federal Royal Commission on Taxation. Is that what he's after? Or is he talking about the relation between COMEF and our Royal Commission on Local Government and Finance? What is his point?

MR. SMERCHANSKI: Mr. Chairman, it says on here, under Item 6, "of Material for the Royal Commission on Taxation (Canada)." Now am I correct in assuming that this is in reference to taxation in reference to the industrial growth of the province and encouraging industry in the province, or am I wrong in that?

MR. ROBLIN: No, I've already explained to the Leader of the Opposition the view that we take with respect to that matter.

MR. CHAIRMAN: Resolution

MR. MOLGAT: Mr. Chairman, did I understand the Minister correctly, then, that he expects to get an interim report from this Royal Commission on Taxation on the finance part prior to receiving one on the organization part?

MR. ROBLIN: Mr. Chairman, that point will be considered by the Royal Commission as to whether this is possible or not. Their view was, when they met with the press the day they were installed, that it might be desirable to bring in some interim recommendations with respect to municipal finance, that is, local taxation, that could be recommended in spite of the fact that they may not have completed their full study of the total problem, because you can see that the question of local government organization may involve a great many questions of the overlapping administrative areas, for example, of which we have so many in the province, and a number of other matters which, while important, do not really bear in any major sense directly on taxation, and which a consideration of should not hold up any remedial measures that might be recommended with respect to local taxation. So they are looking at the possibility, according to the Chairman, of that situation, and I hope, myself, that they will find it possible to bring in some recommendations respecting the problem of taxation, although it may not be their complete view of the matter as an interim report, and that the rest of these studies which may take quite a considerable time would follow after. Now there is no guarantee given by the Commission that this can be done. It is merely something that they will attempt to do, and as I say, I hope that they find it possible.

MR. CHAIRMAN: Resolution 8 passed. Department III -- Treasury; Resolution 9 --

(Mr. Chairman, cont'd.)Item 1 Administration.

MR. GRAY: Mr. Chairman, I do not know whether it is under this item or perhaps under the indebtedness. I would like to find out what is the average interest that we are paying for our bonds, No. 1 -- and No. 2 is whether we still have -- we're still paying interest in the higher brackets as we did not many years ago, like seven percent and so on.

MR. ROBLIN: If my honourable friend will turn to the Public Accounts, he will find in the back of the Public Accounts a table which lists the various kinds of indebtedness that he refers to, and the interest rate payable on these various types of indebtedness is set out. I think if he looks through that table he will see that there's a wide variety of interest rates paid, starting from no interest, which of course refers to a discounted item rather than -- so that interest is assessed a discount -- up to say about 5 1/2 percent on some issues. It ranges all the way from that, but the full details are to be found at the very back of the Public Accounts.

MR. MOLGAT: Mr. Chairman, is it the intention of the Minister to make a statement with the opening of the Treasury?

MR. ROBLIN: No, I have nothing to say at this moment. I'll be glad to deal as best I can with any points that are raised.

MR. MOLGAT: Mr. Chairman, last year we had a very interesting discussion on this item on the matter of the savings bonds, and whether my honourable friend was following the right practice or not in not having set a limit on the previous year's issue. I believe on last year's issue that he didn't set a limit. I wonder if he could tell the committee at this stage where we stand on the two issues that have been made so far. I remember the first one was for \$40.8 million and I believe last year's totalled something around \$20 million -- if he could give us the exact figures on the last year year and then the amount of redemptions that have occurred in both cases.

MR. ROBLIN: this information in my book, Mr. Chairman, and I'll try to put my finger on it as we go along. If there are any other points we could deal with them and I'll try and find this information before we leave this matter.

MR. MOLGAT: one is a general one. He indicated in the House earlier, I believe yesterday, that he would be considering another Saving Bond issue, but that he did not feel that the time was quite opportune. I didn't know exactly what he meant by the time not being opportune. I wonder if it was with relationship to the April 8th date and whether this was the main reason for his not feeling that this was the proper time to launch an issue.

MR. ROBLIN: I don't think, Mr. Chairman, that it would be advisable for me to give the reasons behind the financial decisions made by the government prior to the decision being made, but I'll have to let my honourable friend speculate on that subject.

Now as to savings bonds, I have here the total -- some information about it. I can give the redemptions by months if that's what is required here. Members should realize that in a sense cash money; that is, these bonds are redeemable on demand at any time by those who hold them, and this means that one expects, when we start into this, a steady flow of redemptions from those who hold the bonds. Some people buy them because they want to save up a little money for some particular thing; perhaps it's for a trip to Europe or it might be for any sort of activity of that sort, and they cash them in as and when the money is required. We naturally like people to hold them as long as they can and so we place a little bit of a carrot at the end of the stick, so to speak, and the longer they're held the more interest is paid and the more valuable they become, but we have to anticipate a regular series of encashments by those who hold savings bonds. This has been the experience with the issue of these bonds in British Columbia or in Saskatchewan or by the Dominion of Canada itself, and is quite a normal expectation, and so we get these redemptions as I have mentioned.

Now, as far as the Province of Manitoba is concerned we are quite pleased with the way in which these bonds move and have no complaints about the redemptions that we get. We do, however, find that there are certain peaks in the year that occur, usually in the autumn, when the demand for cash arises and people cash them in for one purpose or another. Now, on the Series 1 the redemptions so far have amounted to nearly \$6 million. They start out -- do you want the figures for each month, because I have them available? They start out in October 1961, and I'll just give them to the nearest thousand dollars; \$734,000 for October; then they go down,

(Mr. Roblin, cont'd.) November \$328,000; December \$527,000; January \$239,000; February \$314,000; March \$79,000; April \$464,000; May \$145,000; June \$295,000; July \$460,000; August \$540,000; September \$526,000; October \$360,000; November \$402,000; December \$237,000; 1963: January \$172,000; February \$168,000; Grand Total: \$5,998,000.

Now on the Series 2, which members will recall are issued at a rate of 4 3/4, the redemptions were particularly heavy in the first two months because after these bonds were sold the market changed, as members know, and interest rates went up and there was a considerable inducement for people to cash them in. That's another thing that has to be considered; that when interest rates change, if the 5 percent we pay or the 4 3/4 percent we pay seems to be out of line with the market, there is a possibility that holders will switch, and that of course is to be expected. So in October of '62 the encashments for the 2nd Series were rather heavy: \$1 million 8; November \$1 million; December \$318,000; January of this year \$289,000, and February \$66,000, a total of \$3,546,000. Our information is that this rate of encashment compares more than favourably with the federal bonds, even though the last federal savings bonds came out at a rate that is higher than our last bonds. In fact we wondered at that time whether we were going to get the whole lot cashed in when the encashments became possible last October, but that didn't happen, and while they were relatively heavy I think that the record is certainly one that satisfies us. We have compared our experience with what we can find out about others and it seems to be favourable indeed for the Province of Manitoba.

Now if there's any other point on savings bonds that my honourable friend would like to raise I'd be glad to answer him.

MR. MOLGAT: Yes, I would like to have the value of the first issue -- as I recall it was 40.8 -- and the second issue; and the rate of interest in both cases.

MR. ROBLIN: The first issue was \$40,808,300 and the rate was 5 percent. Now it varies a little bit because if you hold the bonds long enough you get a small premium, but the coupon rate is 5 percent. And the second issue was for \$20,184,000 and the coupon rate there is 4 3/4 percent. Both these rates were substantially -- I think I may say this correctly -- my recollection is that both these rates were quite substantially below market for this kind of money, and I think we were very fortunate to be able to sell them at that particular rate.

MR. MOLGAT: Mr. Chairman, the second issue indicates here that redemptions start in October. Was it not issued originally in April when we were sitting last year?

MR. ROBLIN: That's true, but the Honourable Member will recall that there's a six-months waiting period before cash-in starts.

MR. MOLGAT: Before any redemption. Then after that the redemption -- they are redeemable on presentation?

MR. ROBLIN: That's correct.

MR. MOLGAT: This seems to me, Mr. Chairman, to point out the very fact that we were trying to make last year, that while this type of financing is, I think, sound in limited amounts, that if it's expended too fast it can be dangerous to the province. And certainly the comments that the Honourable Minister made before giving us these figures indicate that he has come around to that point of view himself, and I commend him for it, because while if we look upon, for example, the first issue, the experience there has not been too unsatisfactory over a period of some year and a half. It's been redeemed \$6 million on the \$40 million and that's not too bad. The second issue certainly has not been nearly as encouraging. \$3 1/2 million redemption on a \$20 million issue in a period of five months is a very heavy redemption rate, and if the government were to plan on this type of financing for any long-term projects then it could find itself in a very difficult position rather quickly. This is why last year we were suggesting that the government have a limit to the amount that it seeks on every one of these issues, which was not the case at the first issue. The second one, I believe, was. I would strongly recommend that our next issue again have an upper limit as to what the government wishes to get on these, so that we don't find ourselves in a position of having a very large amount of money which is callable. At the moment we're sitting with some \$61 million there of which some \$10 million has been redeemed; in other words we're still sitting with \$50 million which can be redeemed at any moment by any individual. If there should be a -- say a federal issue -- at a very substantially higher rate, then we would be affected all the more.

(Mr. Molgat, cont'd.) If there are other provincial issues we could also be affected, and it seems to me that other provinces are now going more and more into this type of financing, so I would say to the government insofar as the next issue that there should be a definite limit as to the amount that the government wants so that we don't find ourselves in a position of having to face a run.

MR. ROBLIN: Mr. Chairman, I'd like to assure my honourable friend that we never at any time thought that this should be an unlimited proposition. I think where the difference of opinion comes in is that I look upon the limits as being the total that might be considered appropriate in this type of financing, but we have never so far put a limit on a particular issue. We did not put a limit on the issue of the second series of bonds except insofar as we have the right to close the subscription lists after they have been opened for a certain period of time. That really is the control that we exercise on it, and in order to be fair to the trade, it's necessary to keep the subscription lists open for a minimum period which, if my recollection serves me right, is about three days in the first instance -- no, it was a week -- it was a week in the first instance, and I'm not sure what it was in the second. But, we don't feel -- I want to make this quite clear -- we do not feel that we have in anyway got ourselves into an unmanageable position with having too much of this kind of money. On the contrary, we're very satisfied with the way this has worked, and we intend to pursue it, but I do assure my honourable friend that he is quite right and there's no difference of opinion between us if he says that overall there should be a limitation as to the kind of demand, of the amount of demand money of this sort that you can safely have out in savings bonds. Now that's true, and we watch that very carefully, and we have our own idea as to what it is. I did not prepare it as a matter of policy to discuss the particular details of it at the present time -- this is something that the Treasury must be left with the responsibility for -- but the principle is one that we can share.

Now the reason for the rather heavier encashment of the second issue was naturally the interest rate, 4 3/4. I think it must be agreed that to get 4 3/4 money when we did was pretty satisfactory, and even if we do get a substantial encashment, it still is something that we're not too unhappy about. But it must be recognized that one of the tricky things in this thing is to set a rate of interest on these bonds which does not disturb the encashment of the ones you already have out yourself and yet fits into the general market pattern at the time. You can only hope to fit into the general market pattern at the time. If the market pattern changes then that's something over which we have no control. It is important to make sure that there are ample cash reserves available in one way or another so that if there is a considerable run -- rumour has it there was one in British Columbia; that's quite a different instrument than ours here, I want to make that clear; ours isn't nearly as dangerous in that sense as the one in British Columbia -- but the point is that you must have ample cash reserves available in one form or another to protect yourself against any untoward contingency. I want to assure the Committee that those precautions are taken and I feel that they are adequate the case in point.

But really what emerges from the discussion, I think, is the whole question as to whether you should have savings bonds or not. Since we started savings bonds we have not had to go to the regular capital market for the direct requirements of capital money for the Province of Manitoba. It is true that we go to the regular capital market in the case of our utilities, who are independently financed -- we guarantee them but they're independently financed; they borrow on their own account -- and those very large sums of money amounting to what? Fifty, sixty, seventy-five million dollars a year for the utilities are financed on the public market. But as far as we are concerned in this House, for the money that we are borrowing for the direct investments of the Government of Manitoba in those capital projects which it's taking care of itself, we have not been to the regular capital market since we started savings bonds. And so to that extent, and I think it is very important, one can say that we have been running a provincial credit union here; we have been financing our requirements on the basis of the investments made in the government by the people of Manitoba, to whom these savings bonds are restricted -- you've got to be a citizen of Manitoba or a Manitoba corporation to buy these bonds. Nobody else can. They're not transferable to people outside the province. So we feel that this is a good thing.

(Mr. Roblin, cont'd.)

Now it is possible that one might be able to get cheaper money. It hasn't been so in the past, but it's conceivable that this is not the only way of raising money for the Province of Manitoba, but we have deliberately adopted it because we not only want the money but we want to encourage our people to feel that they are having a share in the development of the province by giving us the use of their savings in this way. And that, I think, is an important factor in considering savings bonds. It's a psychological aspect, if you like to look at it that way, of encouraging our own people in the province to build the province, and as far as the government is concerned as long as it is within the realm of sound and prudent management, we would like to continue developing on the basis of the savings and credit of our own people here in Manitoba, and that is why we propose another issue of savings bonds, of which I've spoken. Couple that with the remark I made about the limitations that there are in this respect, and they must be respected, but up-to-date this have proved to be a very satisfactory method for us to finance our direct requirements here in the province. So I mention those things; I think they've been stated in the House before but I do like to give the background as to why we have adopted savings bonds. It's been rather interesting to see that other provinces have done the same thing. We were not the pioneers; British Columbia had savings bonds, although theirs are quite different from ours -- they're much more fluid than ours are; they aren't restricted in the ways ours are; they're transferable, and all that kind of thing, and they're much more volatile in the financial market, much more volatile. Ours are not volatile and to that extent I think we're ahead of British Columbia. But Saskatchewan do this now, and the Province of Quebec. Just the other day they embarked upon a somewhat similar system, although it's a little different than ours. And I noticed that the Province of Alberta, while not going in for savings bonds, are trying to mobilize the capital of the people of that province to invest in the development of the Province of Alberta. So I think that this has become an instrument that is deemed useful by governments across the country, and I must say that I'm satisfied with its operation in Manitoba.

MR. MOLGAT: Mr. Chairman, the minister indicated that this required substantial cash reserves in order to operate the savings bonds system. As I recall it when he first introduced the savings bonds, that was not part of his statement then. If I remember correctly it was indicated to us that the banks would have been prepared at that time

MR. ROBLIN: I'll save you having to develop this point by saying that I may have used the wrong expression. What we need is cash resources of some sort that are available to us. I'm not referring to cash reserves within the government itself.

MR. MOLGAT: Well, that certainly improves the situation, Mr. Chairman, because it sounded to me from what the minister had said that we were faced with having to sit with cash reserves. Can we say safely then that at the moment the government has borrowed \$61 million on savings bonds; has redeemed some \$9 1/2 million; and is sitting with \$5 1/2 million of redeemable savings bonds, redeemable at the moment at any time? Is that correct? Do the banks presently cover this full amount by possible overdraft?

MR. ROBLIN: Mr. Chairman, I think you'll understand my reluctance to answer those questions. I think that these matters of financial management are in a sense confidential and I don't propose to give any further information about them. I might say that I had a great deal of doubt as to whether I should give the information about the redemption because I think there are very few jurisdictions -- none that I know of, really -- where that information is made public, but I thought that perhaps I should do so on this occasion. I think that my honourable friend would excuse me if I simply contented myself with saying that in our opinion there are ample cash resources available to take care of our obligations in this respect. But I do not think that he should press me to give details of that situation.

MR. MOLGAT: Mr. Chairman, I'm somewhat reluctant just to press the minister at this time admittedly for more information if this is considered confidential -- I will reserve my right possibly to do so at a later time, because after all we're dealing here with the very responsibility of the House. We are the people responsible in this House for deciding whether or not we are going to go ahead with these loans or not and approve of what the government does or does not. In the final analysis it's the safety of the province that's at stake. The minister tells me that there are ample resources and on that basis I simply have to take his word for it.

(Mr. Molgat, cont'd.) These amounts are growing in size. Could the minister indicate to us the size, the probable size of the next issue?

MR. ROBLIN: No, Mr. Chairman, I could not.

MR. GRAY: Mr. Chairman, I have raised this question a few days ago and when the Provincial Treasurer told us, told the House, that for the present he would rather not discuss it, I said then, and I realize the importance of not bringing it to public attention until the bond issue is ready to be announced. But seeing that the matter did come up, I feel personally that the Honourable Leader of the Opposition has not done any good to future bonds. First of all he made an issue on the redemption, and this is bound to be some discouragement for future subscribers to buy as many, to invest as much money as they can into the savings bonds, because they hear it may appear, directly or indirectly, that the province is not too financially sound to redeem as many of the bonds necessary. I don't think it's wise. There may be many other reasons for the redemption. There may be unemployment, because after all, the big banks, the big financial men have not bought saving bonds. They probably could use their money to better advantage. It is the ordinary man on the street who happens to save up \$5,000, or less or more, for the purpose of investing it in their own home in their own bank, for which, as I already stated, the 800,000 people in this province are responsible, and not only the Members of the Legislature -- because they are the physical assets. And as I said the farms, the natural resources, the grain -- every one, every little bit of production in the province is responsible for the money. So I believe personally that no good will come out of this general discussion, and if the Provincial Treasurer tells to wait, he should have waited and not come out now on the eve of the issuing of the bond. I say that this is the finest thing -- whoever is responsible, whichever administration is responsible -- it's the finest thing, which I have advocated for years and years and years, and in 1943, no 1933, we had the same discussion in this House -- I mean, I wasn't here -- at the time that we tried to have savings bonds issued by the City of Winnipeg and sell it over the counter. The City of Winnipeg passed it; this House gave second reading in principle, but it was thrown out in Committee. But at the present time let's not disturb it. It's a very good thing for the investors; there's no speculation whatsoever; less speculation than on the stock market; less speculation than any other investment. I say less speculation. A man can buy a building for \$10,000 or \$5,000, sell it tomorrow and make \$1,000, but he could lose also \$1,000. This is solid protection for the average man that could save up a dollar, solid protection -- and in the bank he gets only 2 percent, or perhaps 2 1/2 if he has a large amount. I would advise the Provincial Treasurer not to be discouraged by anyone. This is one of the finest ideas which this House in the past years has accomplished, and I would also urge the Provincial Treasurer to give serious consideration not to limit the amount. As long as the people are ready and willing to do it, let them do it. I would also not limit personally, I would also not limit as to the length of the sale. Personally I would like to see that bonds be sold over the counter day in and day out. No further expense -- we can always find a clerk in his department to handle it; and let people put up their savings and get another 3 percent interest. They need it. And I think that we would not have to mortgage our lives and our future to the American -- particularly to the American -- and Canadian money men, those who spend their time in Honolulu while the interest grows here and the money is sent to them on a silver platter. So I personally feel -- I may be wrong -- that no good will come out of this discussion we've had in the last half hour. I would suggest we give the Provincial Treasurer all encouragement and continue doing it. I've advocated, and the records will show this, for years and years, and once you accomplished something. We were not disappointed. It was over-subscribed. Why in the world should we wait? And as to the fact of redemption, we'll always get the money. We'll always get the money if we have to pay 6 percent; we'll always get the money to pay them back, and believe me, many of them have not redeemed and will not redeem for years because they are satisfied with the little cheque they get of the interest, and it gives them a little bit more money, and if they don't trust the Provincial Government of the province they cannot trust anybody. It is just as big and strong as the banks are, as the trust companies are, as the insurance companies are, because after all they're lending the money to people. Not their own money; the money to get from the people. They pay 2 1/2 percent interest, or 2 percent interest, and then they sell it back immediately at 5 or 6 or sometimes 7 percent, and it's possible, because we have been paying until a few years ago 7 percent. I don't see any 7 percent now,

(Mr. Gray, cont'd.) thank God, but we have been paying it and you admit that we have been, so (Interjection) Yes, 7 percent. All right, then, I'll bring in tomorrow if I can find it (Interjection) Yes, we can find it because -- the Treasurer of the -- I wouldn't say late government, but I would say of the previous government

A MEMBER: The last Liberal government.

MR. GRAY: had 7 percent and I have seen it myself. I worried about it, so don't say no; it's a question of looking up the records.

MR. CAMPBELL: say no. You bring it in.

MR. GRAY: All right. So 7 percent, money borrowed probably 20 years ago, or 25 years ago, that people have invested their money here, loaned the money to the province on the understanding that it will be on a long term, so don't say no little. I could assure the Honourable Member for Lakeside that I know very little about finance but I could read at least. As illiterate as I am I could read figures, and I'm telling you to take my word for it. So I feel that no good purpose has been served by these discussions which should have been made right at the time the was announced, and not to get discouraged. People still want to lend money in their own province among their own people. First of all they're helping the people out, and secondly, they're helping us out, and thirdly we don't have to wear out our knees -- for the pants are going to wear out -- and stand at Wall Street and other lending institutions, begging them, "Please, we have so much security here, we have so much wealth, lend us some money," and pay them 6 percent or even now it's 5 1/2 percent. So I would urge very, very strongly to the Provincial Treasurer, carry on. This is the finest thing and history will record this wonderful idea and the wonderful undertaking as one of the good deeds that a government -- not put in "the" government -- but "a" government in the Province of Manitoba has accomplished.

MR. MOLGAT: Mr. Chairman, it just goes to show the differences of opinion that can occur in this House. When I ask questions about the financial management of our province, I find myself accused of working for American money interests.

MR. J. M. FROESE (Rhineland): Mr. Chairman, first of all on commenting on the matter of the savings bonds that the province has been issuing and floating, while I'm in favour of them, I certainly am not in favour of creating large debts. But these bonds provide an excellent opportunity for individuals in small corporations to invest in. I know that a number of citizens have taken opportunity of purchasing some of these bonds and using them as collateral bank and so on. So that it provides an excellent opportunity for investment. I am wondering whether the new issue that they intend to float would be limited to \$25,000 for individual corporations. I, too, feel that this amount could be raised, and I think it would have advantages in that we would have less redemptions from these various concerns that would be buying their limit. Then, I would like to ask the first Minister, as the Treasurer, regarding the policy of this government of investing trust funds held by the province. If I'm right, insurance companies are limited under federal act as to how much they can invest in industrials and stocks, and I often feel that this percentage should be raised so that insurance companies and so on could be investing more in the growth of the country than in its debt structure and I wonder what the policy is of this government, and whether something similar couldn't be undertaken.

MR. ROBLIN: Mr. Chairman, I'll take my honourable friend's suggestion about the limits on savings bonds into account. Naturally he won't expect me to make any statement about it until the issue is announced. Respecting the investments of the provincial funds, that is regulated by the Treasury Act and we are definitely limited to high grade, what we call "blue chip" government or municipal bonds to the best of my recollection. It's in the Treasury Act. My recollection is that we're limited to bonds of other provinces, our own creations here or the Dominion of Canada -- and municipals. I think that's provided for as well. I do not think that we make a practice of investing these funds in industrials. Most of our funds of this nature are required for pensions, for investment of Workmens Compensation capitalized account and matters of that sort, where security of principal is extremely important, and so far it has been deemed advisable by legislatures of Manitoba to place a strict limitation on the character of investments that may be made. I know that there is a very widespread movement today, particularly in the insurance companies, to get into more profitable types of investment from the point of view of interest return or perhaps the capital appreciation, but it's not been thought advisable

(Mr. Roblin, cont'd.) that we should follow suit at the present time. Don't rule out the possibility that it might be considered, but it is not provided for at present.

MR. CAMPBELL: Mr. Chairman, I hesitate to indulge in an argument with my honourable friend the Member for Inkster with regard to financial matters, but I would just like to take the opportunity to put on record that I disagree completely and contradict his statement that the former administration paid 7 percent for its money.

MR. GRAY: administration, I said at the time here, and I don't remember which administration, but the province had been paying 7 percent.

MR. CAMPBELL: I understood the honourable gentleman to be looking at me and referring to our administration and dealing with it, and it was with regard to that one that I was speaking, but I must say that I still -- here I'll be going on recollection, not experience -- but I would believe that he cannot even produce from any former administration a time when it paid 7 percent. So my honourable friend has guaranteed that he'll bring in his evidence and we'll just await its appearance.

I wanted to ask the Honourable the First Minister, however, regarding these refundings. I notice that the two basic amounts came in October of each year, if I caught the figures correctly. I gather that was the first opportunity that the purchasers of the bonds had to refund but I believe that, in addition to that it was probably the time, perhaps almost the exact time, that the Federal Government in each case introduced its savings bonds. Is that correct? Does my honourable friend know?

MR. ROBLIN: I can't give you the exact correspondence of dates, but what happens is that the people who have bought it sort of accumulate their desire to cash it in the first six months, so immediately the time comes due that they can, you can always expect a little bit of a rush at that stage. It's also about the same time of the year of the federal savings bonds, but I think one of the things that really surprised me has been the very small turnover from Provincials into federal savings bonds -- very small -- and frankly I expected more. I am gratified that it hasn't taken place so far.

MR. CAMPBELL: That's a question that I was going to ask, Mr. Chairman, and in addition to that, does the Minister recall or has he before him what the rates were on the corresponding issues of federal bonds, that is, the ones which were issued the same year as his in each case?

MR. ROBLIN: No, I haven't Mr. Chairman. I can say that in the case of the second issue I think the federal bonds were a more attractive deal compared to the second bond issue than the federal bonds were as compared to the first bond issue, because we had an extremely low rate of 4 3/4, but the spread is not -- there is a spread and one has to be considered, but there's more. This is a rather complicated business, because not only is there the coupon interest rate on federal and provincial savings bonds, there are all kinds of little gimmicks that are thrown in, either in the form of increased rates at the end of the period or increased capital appreciation at the end of the period, which makes them quite a different attraction, and what may prove attractive to one person will not prove attractive to the other and therefore, provided there's no violent disparity between the interest rates offered, fortunately we've found that we don't get the turnover that might have been the case.

MR. CAMPBELL: Mr. Chairman, I have one other question, at least one to ask, but it doesn't deal with the bonds. If there's anybody wishing to ask on the others, I would defer to them, otherwise --

MR. MOLGAT: Mr. Chairman, I have some further questions to ask about the bonds if I may, so we can complete this discussion. One of the things I would like to arrive at if possible so that we can have a proper relationship of this type of operation as against borrowing from others, keeping in mind the point made by the First Minister of local investments, which I would agree is probably easier to get on this type of bond than it is on the long term, but keeping that in mind, I think we still have to keep a relationship of the cost of this money to the province as against the cost from other sources. Now, last year the Minister was good enough, subsequent to our discussion here under estimates, to give me a reply in writing to a number of questions that I had asked. At that time he indicated that the cost of the \$40 million issue had been one percent, leaving a net return to the province of 40.4 million. Was the cost the same on the next issue, that is the 20 million issue? Now, do you want me to give

(Mr. Molgat, cont'd.) you a series of questions first, or all right.

MR. ROBLIN: Oh well, I do one at a time or I'll forget them

MR. MOLGAT: You're dealing with the rate of commission. The rate of commission in the first issue was one percent, the second issue was I think, seven-eighths. The second issue then was a little cheaper from a commission standpoint. Now, in the first issue, in answer to my question, the actual interest cost was computed to be 5.23. This is presumably taking into consideration the commission paid, meaning -- is that correct, or is it taking into consideration other factors? Would the Minister have the net interest, the actual interest cost on the second issue?

MR. ROBLIN: No, I haven't got that here. Wait a minute, I may have it. I'll just take a look and see. The yield that held to maturity on the second issue was 4.99.

MR. MOLGAT: take into consideration after the cost, that is, do you take in net returns to the province, or not?

MR. ROBLIN: The commissions, I believe, are not included in that. That's the yield to the investor if he holds it for the entire period. The commission is 7/8 of 1%. Now it doesn't matter whether you're selling savings bonds or whether you're selling other kinds of bonds, you still pay these commissions. They're all part and parcel of the deal. (Interjection) Probably the same rate; it depends on negotiations. This is a low rate on these things, because they're so easy to sell. Really there's nothing to it. You just put up a notice that you have them for sale -- the public fortunately buy them.

MR. MOLGAT: Now, the Minister indicated that with this system you have to have cash resources. Now this is -- he said cash reserves at first. Does the government hold cash reserves as well against these or not?

MR. ROBLIN: Not specifically against the bonds.

MR. MOLGAT: Well, then does it hold larger cash reserves because of the bonds than it would normally?

MR. ROBLIN: No.

MR. MOLGAT: It doesn't. So there's no cost involved there. All right. Is there any cost involved insofar as the banks are concerned?

MR. ROBLIN: No.

MR. MOLGAT: By having a guarantee bill step in if need be.

MR. ROBLIN: No, there's not.

MR. MOLGAT: We can assume then that this gives us pretty well our net cost on these -- no other factors to be considered?

MR. ROBLIN: As far as I can be sure at the present time, there's the interest that you pay on the bonds, and there's the price you pay to the dealer for handling the issue. Those are the two main costs. Now it is also true that during the life of a bond issue, you have to have staff to pay out the interest as it comes due from time to time, and as we go through the estimates, you will see that there's some -- what? \$5,000, \$6,000, \$10,000 a year for staff to handle these issues. That is part of the cost too, but that happens no matter what you do.

MR. MOLGAT: Last year in our discussion on this same item, one of the questions that I had asked of the Minister was the use made of these bonds, as I felt that if 40 million came in at one moment, without having known in advance how much was coming in, that it might mean that we simply did not have space for it. The Minister then gave me subsequently a list of the purposes used and this amounted to exactly -- now it was indicated to me that this was the retiring of outstanding treasury bills. Was this same practice followed with the second issue?

MR. ROBLIN: Naturally I haven't got the details but that is the general way we operate. What you really do is you try to time the receipt of your money for your demands for the use of it, and naturally no matter whether you go out in the market and sell twenty million dollars worth of bonds to some financial institution or whether you're selling savings bonds, you're up against exactly the same problem. That is, a lot of money comes in all at once, and it's obvious that unless some provision is made, you may have a surplus on hand. Now, what happens is that you run up some debts, which we call treasury bills, in anticipation of receiving this money at a certain date, so that when it comes in, you have a good many places in which to spend it. Now this is part of the financial operation which is inseparable with any type of borrowing whatsoever, and it's the same system as we have followed here in times gone by.

MR. MOLGAT: But there's a difference; when you issue a standard bond issue, you issue it for a fixed amount and you presume they could make your plans in advance. On this basis, if you have no fixed amount, which you can't have exactly, then it's not quite the same. Now I am pleased that last year certainly the indication was that it was used, with this one exception, that on my question as to at what date or dates were the proceeds of the issue received the answer that I got was the 20th of March to the 1st of April, so presumably in that ten-day period we received some \$40 million. Now, my following question after that was, on what date of dates were the allocations made, the answer to which was the Order-in-Council designating treasury bills to be refunded to the bond issue was passed on May 4th. Now there's a period here of a month and four days. We are dealing with a very large amount of money, \$40 million. Was this money simply sitting at no purpose, because if it was, it was costing us something in the order of \$5,000 a day in interest alone? Yet the reply here would indicate that it sat for some 34 days.

MR. ROBLIN: It is part of the general management of the treasury that from time to time we have money that is not actually needed. One can envisage the fact that the tax revenues or revenues of any sort, whether they're for borrowings or for whatever, do not come in phased exactly to the expenditures that will be made. Now that's obvious. Well, what do you do? Well you either have periods where you have too much money, or periods where you have not enough. If you haven't got enough you go into the short-term market and borrow it for 90 days, 15 days, 20 days, whatever you think you need. Conversely, if you've got too much money, then you go into the short-term market and you lend it for whatever period is needed to employ that money until such time as you need it for your own purposes, and I can tell my honourable friend that this is part of the routine operations of the treasury and if we have surplus cash from a bond issue or for anything else, at any particular moment, the treasury staff try and place that money in the short-term market. There is a very active short-term market in Canada and the money is placed quite readily across the country and to -- oh -- fifty different agencies.

MR. MOLGAT: . . . correct interest rates of course, because on the short-term you won't get 5 percent, so there is a cost there -- for that period of a month in '61 there was certainly a net cost to us of some kind, possibly some two percent.

MR. ROBLIN: Well it doesn't matter what the particular source of the money is, you pay a different rate on short-term money than you do on long, and it is simply an inescapable fact that unless you use the money right away, then you take the short-term rate which is somewhat less than what the long-term rate would be. Now, all those costs are carefully calculated to make sure that we get the best balance with respect to the management of this money, and we do. We get -- I've got no apologies to make whatsoever for the fact that we may put some money out on short-term rates some time or another, because this is just part of the normal management of the treasury operation, and it doesn't matter where the money comes from, you're faced with the same problem and you have the same solution.

MR. MOLGAT: appreciate except that this comes back to the very original point that we are making in this, that in that first issue, the government should have had a limit or an idea of how much money it wanted, so that this situation would not arise. Now in the second one I think the Minister proceeded on that basis and did allow himself an opportunity to cut it off once it had reached the amount that he wanted. I presume he will follow the same in the third one. I commend him for having done that in the second one. I think it should have been done in the first.

MR. ROBLIN: The point is, Mr. Chairman, it was done on the first. We had a cut-off date on the first exactly as we had on the second, and exactly as we will have on the third. The cut-off date actually on the first issue was a much shorter date than the cut-off date on the second.

MR. MOLGAT: As I recall the answers the Minister gave me last year on the first issue it has been set for a certain length of time. On the second issue it was a shorter length of time when he could cut it off. Is that not correct?

MR. ROBLIN: I am talking about the actual cut-offs that were employed. I can't recall what the -- it is all very well for my honourable friend to say 'ah' as if he has discovered a great point, but he really hasn't. The question is, when do you cut it off? Well, we cut the

(Mr. Roblin cont'd) first one off shorter than we did the second.

MR. MOLGAT: I would like to have the same information with regard to the second issue as the Minister was kind enough to give me last year on the first. I presume he would rather have it in written form.

MR. ROBLIN: I think it would help.

MR. MOLGAT: Fine, I'll do that. That, Mr. Chairman, gives me the information I need at the moment on the matter of savings bonds. Now, my honourable friend also last year started the weekly treasury bonds procedure. Is he following on that one this year? I haven't heard any further.

MR. ROBLIN: Yes, Mr. Chairman, we have at any one time a total of \$13 million on 90-day treasury bills which we sell to the general public, and as that is short-term money we get an interest rate which is substantially better than we could obtain in any other way, and I am sure -- I haven't got the figure in front of me now, but I do know that the interest rates we pay each week are probably a third to half a point above the Canadian 90-day treasury bill interest rate, and depending on the state of the market that gives us anywhere from two points to half a point, somewhere in there, the interest on \$13 million. This arrangement has worked relatively satisfactorily and we expect to continue it. In fact, we might even enlarge it, I don't know.

MR. MOLGAT: The Government is also using other treasury bills at the same time, of an irregular nature?

MR. ROBLIN: Other treasury bills are of an internal character. They are, say between the Hydro and the Provincial Treasury, or the Telephones and the Treasury, or any one of the organizations that we finance. Those are the main character of the treasury bills apart from the ones that I have mentioned that are sold on the open market. Actually, it's just a method of bookkeeping as much as anything else.

MR. L. A. BARKMAN (Carillon): Mr. Chairman, I'd like to direct a question to the Honourable the First Minister. Has a study been made to find out if the sale of these debentures, the sale of these bonds has any effect on the sale of municipal debentures or an effect on the interest rate?

MR. ROBLIN: I think -- I couldn't say, and I don't think anyone can say. It is quite impossible to relate that, savings bonds, to the general interest rates in the market which is controlled by many more important factors than what we do in the treasury of Manitoba. I don't think there's an answer to my honourable friend's question.

MR. CAMPBELL: I have just that one question that I mentioned a moment ago, Mr. Chairman, I had said in my remarks the other day that when I was considering the total of the direct and guaranteed debt as presented in the public accounts that we have before us now, and as compared with the last public accounts of the former administration, that there was quite a large increase in the public debt, roughly from \$231 million to \$571 million or something of that order, and I commented at that time that as I read the public accounts that the total sinking funds against a combined guaranteed and direct debt was less now than it was with the \$231 million debt. Has my honourable friend had an opportunity of checking on that and could he either confirm or deny it?

MR. ROBLIN: Mr. Chairman, I think you will find that the largest increase in the public debt is not the direct net debt of the Province of Manitoba, which amounted at the end of last year to \$169 million. One hundred and sixty-nine million dollars is the net direct debt of the Province of Manitoba as at that time. The bulk of the increase about which my honourable friend speaks is attributable to the expansion of the utilities, the Hydro and the Telephones, who maintain their own sinking funds in accordance with the statutes, and if you will look at the financial accounts for those two organizations I think you'll get some idea of what's been provided in that respect. Respecting sinking funds generally, that is a matter which I think members know is governed by statute, that we put aside -- I'm trying to remember the exact figure, but my recollection is, is it two percent? I forget -- three? At any rate it's three percent and it is provided by statute that sinking funds at that rate shall be maintained -- and they are. But what do we do with sinking funds? Well, every so often we take the money in the sinking fund and pay off the debt with it. That's what it's there for, and that's why the sinking fund doesn't always grow but fluctuates. It grows up to a certain point and then when

(Mr. Roblin cont'd) the debt that the sinking fund is required to pay for comes due, then the fund helps to pay for the retirement of that debt, and that is why it fluctuates from time to time, although the province is year by year steadily putting by the same relative amount of sinking fund as it's done for a number of years, all of which is provided for in the statutes. So I don't think there's anything to be -- that there's any particular significance to the point my honourable friend makes and I want to assure him that we are living up to the statutory requirements in full with respect to sinking funds.

MR. CAMPBELL: Mr. Chairman, I didn't question that in any way whatever. I have every confidence that the government is living up to the statutory requirements re the provision of a sinking fund. The point that I was making and that I reiterate, because I followed my honourable friend's argument completely with regard to the procedure that is used, the point that I was making was this: that the total direct debt and guaranteed debt of the province as at March 31st, 1962, is now something in the neighbourhood of \$571 million, if I remember the figure correctly. That compares with the total direct and guaranteed debt of something like \$231 million at the end of March, 1958, and as I look at the total sinking fund of 1958 and the total sinking fund of 1962, I find that they're not as large now as they were in 1958; or phrasing it another way, that the sinking fund against the \$571 million is not as large as it was against the \$231 million.

MR. ROBLIN: that is very likely as explained. There are peaks in which money becomes payable and then the sinking fund is drawn on to make those payments -- therefore it goes down right away, plunk, and you've got to start gradually building it up again until another payment comes due, and that's the way it goes. So I don't dispute with my honourable friend that the debt of the province is higher -- of course it is; it's part of our deliberate policy that it should be so. But I do assure him, and I assure anyone who might be interested that the question of sinking funds is not being overlooked and that we do follow strictly the obligations that we have in this respect.

MR. CAMPBELL: I agree with that; I agree, agree completely -- but I still make the point, if it's valid and my figures are right, I still make the point that it doesn't look to me like a sound position if the total of the sinking fund against \$571 million is less than the total of the sinking fund against \$231 million.

MR. ROBLIN: Yes, but the point is -- I'm having trouble getting this point across. Supposing, for example, that one has a debt that's almost matured, then you have a very large sinking fund, and that was the situation to which my honourable friend refers, but if you have a debt which has a long way to go to maturity, then you have a small sinking fund and it takes years, 20 years to build that up, so that's why you get into that situation. So that relatively speaking I would contest the point with him if he said that the finances are sounder -- less sound, or more sound -- with respect to the debt of a sinking fund now and then -- I say they're the same.

MR. CAMPBELL: But, Mr. Chairman, if the point that my honourable friend makes that when the sinking funds have built up to such a place and debt comes due, that you pay it out of it, then the debt should be reduced accordingly. But I'm dealing with the proposition of the debt up and that's not what I'm arguing at the moment, whether it should or should not be; I'm arguing the fact that it is. Just that. If the debt had been reduced then the debt column would have gone down, but it hasn't. It's gone down a little bit but it hasn't gone down anything like the same amount. I insist that if my figures are correct this is the fact.

MR. FROESE: I think this matter of sinking funds has a lot to do with the amortization of the debt and I would like to know if the First Minister can tell us for what period of time is the cost going to be amortized.

MR. ROBLIN: Mr. Chairman, we're paying for it in cash.

MR. MOLGAT: Mr. Chairman, insofar as the six percent additional hospital tax, is this the point we're discussing? What I'm interested in is the redemption from Ottawa to us. I'd be ready to discuss it elsewhere if the minister

MR. ROBLIN: Well, I would say generally that there is an item in the estimates that covers this point specifically. It's in the hospital accounts if that's what my honourable friend's talking about, and he should discuss it there. If there's some other point in connection with it, I'd be glad to deal with it any time.

MR. MOLGAT: It's under Health and Welfare, under Health then?

MR. ROBLIN: Under Health.

MR. MOLGAT: What I'm interested in is the payments to Manitoba, but I'll do it then.

MR. ROBLIN: If you explain your point. Maybe I don't understand it. If you'll give us your point, I'll try and answer it.

MR. MOLGAT: It's the provincial end of it that I'm concerned about. Last year I asked the Minister how the Federal Government were making payments to us on the income tax. He explained it to me, monthly, and I presume that over the course of 1962 we've been receiving monthly from Ottawa what they estimate to be the return to us over the year. Now, it's obvious that insofar as the people who are paying on a monthly deduction plan, this is simple to calculate. For those people who during the course of 1962 have earned income, who have been submitting their income tax returns at the end of April, is this calculation made in the monthly payment to us and then simply an adjustment made once the Federal Government finds out exactly what the return is, or do we wait until they get their final figure to get that portion?

MR. ROBLIN: Mr. Chairman, as the member I'm sure is well aware, even those people who don't pay on a monthly basis, are expected to pay on a quarterly basis. If he has not . . . on to that fact, I must tell him that I have, and make my instalments on that basis because, in theory at any rate, the whole population is paying their income tax requirements on that kind of a system. So there is some basis by which a reasonable estimate may be made by the Federal Government to pay us. But, generally speaking, I think he has the right idea. They make a calculation and pay us on that basis, then when all accounts are in, if there's an adjustment -- if they've overpaid us, they ask for the money back; if they've underpaid us, then they give us the payment. That, I think, is the system. There has been no change really in spite of the fact that the system has changed to a tax collection. That works just the same as it is now.

MR. MOLGAT: So presumably then, at the end of 1962 we will have received pretty well what we can expect providing their calculations have been correct?

MR. ROBLIN: I can't make any presumptions on that account. All I can tell my honourable friend is I have to wait and see what the answers are. It's impossible to say just how accurate they've been during the course of the year.

MR. CHAIRMAN: I call it 5:30

MR. ROBLIN: Just to be clear on this, have we passed item 9 or is it

MR. CHAIRMAN: No

MR. ROBLIN: continue till 5:30 then. I've still got a good three minutes of time here.

MR. CHERNIACK: Mr. Chairman, I did wish to ask a few questions on this item.

MR. ROBLIN: Go ahead.

MR. CHERNIACK: These are unrelated questions and they don't deal in the magnitude that we have been discussing. I note firstly, the salary for the Minister is one which the government has been saved for some five years I presume. May I ask whether it is there for the purpose-- does it have to be there in order to make it possible for the appointment of a Provincial Treasurer in this coming year, or -- I assume it's not paid out.

MR. ROBLIN: It's not necessarily for the appointment of a new Treasurer in the coming year. If my honourable friend has any advice to give me on that point I would be interested.

MR. CHERNIACK: I couldn't offer advice that I know will not be listened to at all, but I am wondering why it's in at all. However, I'll proceed.

MR. ROBLIN:

MR. CHERNIACK: I didn't hear that. Oh . . . the First Minister changed my name. That's all right. The second question, Mr. Chairman, deals with a matter on which I have become rather sensitive, and that is the indemnities of elected people and the salaries of the senior civil servants, and I assume that the salary of the deputy minister is in this item (a) it being the first deputy minister's salary that is referred to in the budget. This is a question which I would like to direct throughout the budget, and that is, does the salary there reveal the total payment made to the respective deputy minister from various government bodies such as boards or commissions? In other words, can we, from the Public Accounts, where in this case I notice \$15,000 was paid in 1961 to the deputy minister -- can we assume that that is all he receives or are there other monies that he receives related in some way to the work which he does?

MR. ROBLIN: All the money that a deputy minister receives from the government itself appears in the Public Accounts but the member is quite right in assuming that there are some deputy ministers who receive other payments from other crown corporations and we are glad to give that information. The Deputy Treasurer receives \$15,000 salary in this capacity and he receives \$3,000 as a member of the Hydro-Electric Board. I think that is the sum total -- I'll just check it during the interval but I think that's it. It's either \$18,000 gross or \$18,500 I'm not sure which -- I think it's \$18,500.00. The other deputies that are affected in this way, I think, are the Deputy Minister of Industry and Commerce and the Deputy Minister of Health. I think that takes care of them all.

MR. MOLGAT: reply I got last year to the same question was Deputy Minister \$15,500 and Hydro \$3,000.00.

MR. CHERNIACK: In order to get this information specifically should I ask for it in Returns of the Day -- or Orders for Returns rather, or should I ask it of each minister as we go along?

MR. ROBLIN: We'll be glad to furnish the information anywhere my honourable friend wishes.

MR. CHERNIACK: my question has been asked and will be answered or need I go through any formality?

MR. ROBLIN: Well, I'm sure we'll be asked on each item as we go along so we'll answer it that way, but if my honourable friend would like to have it all on one piece of paper we'll give it to him that way.

MR. CAMPBELL: I took it that my honourable friend had already promised yesterday that that would be done because I made the request and I thought it was accepted. Incidentally, last year the Deputy Provincial Treasurer was shown as receiving a total salary of \$18,500.00.

MR. ROBLIN: That's my recollection. I would thank my honourable friend and I hope that the angels in the gallery will record the fact that we want to get this list of deputy ministers' salaries and extras.

MR. CHAIRMAN: I call it 5:30 and leave the Chair until 8:00 o'clock this evening.