

March 5

His Honour's Message

Hon. Mr. DesBRISAY: Mr. Speaker, I have a message from His Honour the Lieutenant-Governor.

Mr. SPEAKER, with all hon. members standing, read the said message as follows:

The Lieutenant-Governor transmits the Ordinary and Capital Account Budget 1965-66 which includes the estimates of the sums required for the services of the province, not otherwise provided for, for the year ending March 31, 1966, and in accordance with the provisions of the British North America Act, 1867, recommends these estimates to the house.

Motions of Supply

Hon. Mr. DesBRISAY moved, seconded by Hon. Mr. ROBICHAUD, that the message, with the estimates accompanying the same, be referred to the committee of supply.

Hon. Mr. DesBRISAY moved, seconded by Hon. Mr. ROBICHAUD, that the portion of the speech of His Honour the Lieutenant-Governor which refers to the public accounts, estimates and expenditures be referred to the committee of supply.

Budget Speech

Hon. Mr. DesBRISAY, moving the house into supply, delivered the budget address as follows:
Mr. Speaker:

This will mark the sixth occasion on which it has been my privilege to present the motion of supply. It will also be the sixth occasion on which I am reminded of the significance of this traditional procedure. Though familiar to all of us, it might be useful to members on both sides of the house to reflect on the meaning and purpose of the supply motion and the budget process.

"Supply" represents a most unique and effective bridge between the wisdom of past experience and the requirements of the present. It is an ingenious device which not only reinforces the long-established rights, authority and processes of the Legislature, but at the same time enables — indeed insists — that the conduct of public business is based on the most modern and

advanced principles of good management.

The making of a budget is the key process in any enterprise. In government, it is our main administrative discipline. It insists that hundreds of separate plans must be formulated; it forces the government of the day to make its choices and determine its priorities from among those plans; it provides the necessary but agonizing confrontation of financial resources on the one hand and hopes and aspirations on the other. Once the budget is approved, it becomes the framework for financial and administrative control; it provides the basis for measurement and accountability.

The budget serves precisely the same purposes for the Legislature and hence for the public — a review of plans and financial resources, a framework for control, and a basis for assessing the stewardship of public funds. The budget and the process of "Supply" also serve to remind the house of the long struggle of parliamentary institutions to achieve our present privileges and responsibilities.

While the motion of supply is made by the Minister of Finance, while the plans on which the budget is based are clearly those of the government, it should not be forgotten that the granting of public moneys and the imposition of taxes is a function and a responsibility of the Legislature as a whole. May I express the hope, Mr. Speaker, that all members will guard this function zealously and approach this debate in a fashion which reflects the best traditions of a responsible assembly.

Economic Situation and Outlook

For many years it has been the custom to review at this time the present and future economy of the province in the national and international context. Our present position, and more particularly the outlook for the economy, provides the framework within which the budget has been developed and the context within which the Legislature must make its judgment on the effectiveness of the budget as an instrument of public policy.

This year, for the first time, a comprehensive review of the economic situation and outlook has

Hon. Mr. DesBrisay — March 5

been presented to the Legislature in a separate document. While I would urge all members to give it their most careful attention, it might be useful to summarize briefly the main conclusions of the review.

During 1964, economic expansion continued at a high level throughout the western world. In North America we have completed our fourth successive year of increased economic growth since the present upward trend began in 1961. Within Canada itself this expansion has been broadly based, with all major components of demand showing substantial increases.

For the coming year the outlook continues, generally speaking, to be very favorable. It is the general feeling that the economic activity of 1964 will carry over into the new year. This, together with an expected program of accelerated investment and a good outlook for the export market, should prolong the present upward trend.

For New Brunswick, 1964 was a record year in terms of economic growth. Although this growth was based in large part on the exploitation of our natural resources, there has developed a significant trend toward the establishment of more secondary industries within the province.

For the coming year, the province can look forward with certainty to an even higher level of economic activity. The impetus provided by the Canadian and United States economies will promote markets for our goods, invite new investment capital, provide jobs for our workers and increase our wages and living standards. Even if the North American economy's rate of growth should slacken during the latter part of 1965, the large capital projects at Mactaquac and the North Shore, together with a generally favorable outlook for our construction industry, should ensure another record year of economic growth for New Brunswick.

**Review of Current Financial Position
Year Ended March 31, 1964**

I turn now, Mr. Speaker, to the finances of the province. The Pub-

lic Accounts for the fiscal year ended March 31, 1964 have already been tabled. They indicate a deficit on current account of slightly less than \$7,000,000 as compared with a planned deficit of \$6,152,000. While net expenditures exceeded my estimate by about \$2,000,000, this was largely offset by net revenues of \$1,400,000 in excess of estimates.

Current Fiscal Year

While final figures for the current year will not be available for some weeks, the financial picture indicated for 1964-65 is most encouraging. Total ordinary expenditures for the year are expected to exceed original estimates by roughly \$1,000,000, due in the main to such unpredictable matters as snow removal. Revenues for the year have been extremely buoyant, however, surpassing our estimates by over \$3,000,000. Significantly, the increases are mainly from those revenues which rely on the province's own economic base rather than transfers from the federal government. For example, revenues from the Provincial Secretary's Department are expected to yield \$2,000,000 in excess of estimates.

Capital expenditures will exceed our original estimates by a substantial figure, largely from increased highway expenditures designed to take advantage of funds from the Atlantic Development Board.

In summary, I am hopeful that the final outcome for the current year will show a surplus on ordinary account of some \$2,000,000 greater than estimated one year ago. If this is achieved, the predicted rise in net debt for the year will be reduced by approximately \$1,000,000.

Capital Financing

The borrowing program for the year has now been completed. Despite the sizeable amounts involved, no difficulty was encountered in raising money at prices which compared favorably with other provincial jurisdictions. This is concrete evidence of the high regard in which the province and its credit are held in the eyes of Canadian and American financial institutions. The following is a table of the issues floated during the year:

Hon. Mr. DesBrisay — March 5

NEW BRUNSWICK BOND ISSUES 1965-66

Apr.	15/64	5 years	4 3/4%	*\$ 5,000,000	@ 99.625	@ Cost 4.86%
May	1/64	25 years	5%	*\$10,000,000	@ 98.00	@ Cost 5.14%
July	15/64	25 years	5 1/2%	\$ 7,500,000	@ 97.95	@ Cost 5.66%
Sept.	15/64	25 years	4 3/4%	*\$ 7,500,000	@ 98.25	@ Cost 4.90%
Nov.	2/64	30 years	5 1/2%	\$ 5,900,000	@ 97.50	@ Cost 5.67%
Feb.	15/65	25 years	5 1/4%	\$ 5,000,000	@ 99.09	@ Cost 5.31%

Total borrowing for year \$40,900,000

* U. S. A. pay

Federal-Provincial Relations

In the field of federal-provincial relations, the past year has been a most eventful one. Honorable members will recall the Prime Minister's announcement last April that a larger percentage of the income taxes collected in a province would be made available for both the 1965 and 1966 taxation years. In the fall I announced the province's decision to take advantage, along with all other participating provinces, of the federal government's partial withdrawal from this tax field. You will be asked during this session to approve legislation giving effect to this decision. I would again emphasize that there will be no increase in the total tax paid. Rather, it simply means a larger proportion of a New Brunswicker's income tax dollar will come into provincial coffers and a smaller portion will go to Ottawa.

Another significant advance during the year was the resolution of the complex federal-provincial problem of the Canada Pension Plan. Quite aside from the social benefits accruing to Canadians from the implementation of the plan, New Brunswick will benefit substantially from the investment funds which the plan will have at its disposal. While firm figures are not yet available, it would appear that \$13.14 million will be available to the province during 1966, at an interest cost approaching that of long-term Canada bonds. Studies are now under way to determine the most effective use of these funds.

This year also saw the establishment of the Tax Structure Committee. This committee, composed of the federal Minister of Finance and his provincial counterparts, or

in some cases provincial premiers, has undertaken a massive study of federal, provincial and municipal revenues and expenditures. The objective of the committee is to arrive at a simpler and more suitable method of assigning responsibilities and revenue capacities than the intricate patchwork of arrangements which has evolved over the years and which will terminate in 1967. This is probably the most comprehensive study ever attempted on a joint federal-provincial basis. I am sure all members will share with me the hope that the committee's deliberations will be productive and successful in achieving more rational arrangements than have ever existed before.

A final feature of federal-provincial relations was the first annual meeting of Ministers of Finance and Provincial Treasurers in December of 1964 — a further example of cooperative federalism. At that meeting, Canada and all the provinces presented their views on the economic situation and outlook and discussed common budgetary and financial problems. I wish at this time to congratulate the federal Minister of Finance for initiating this most useful addition to federal-provincial consultations. His able chairmanship contributed much to its success.

The Budget for 1965-66

All of my previous remarks bring us to a consideration of the budget for the coming year. Recently, President Johnson said that making a budget involves "hard decisions and difficult choices". I am sure that all members who have participated in this process would agree.

Formulating the budget for 1965-66 has been an especially difficult

Hon. Mr. DesBrisay — March 5

task. The normal difficulty of decisions and choices has been compounded by the rapidly changing nature of New Brunswick. Each new development has its influence on some aspect of the budget.

The budget I am presenting today has been strongly influenced by three main factors. First, we wished to continue our progress in improving the atmosphere and facilities for economic development in the province, even if in the short run this means less emphasis on welfare expenditures. Great progress has been made in the past few years in our ability to provide basic information to industry, to catalogue our natural resources, to upgrade our workers, and to keep abreast of the developing technology which industry must have. This budget will further strengthen those programs of economic development.

A second factor which influenced the budget is the whole range of problems which necessarily accompany rapid economic and industrial growth. Meeting these problems might, indeed, be called the "costs of success" of our industrial program — costs which have already been experienced in other parts of Canada such as Ontario and British Columbia. For example, the construction at Mactaquac and the huge industrial complex planned for Belledune Point both serve to emphasize our acute shortage of skilled labour which still exists despite heavy expenditures on vocational facilities. Both projects raise problems of community development and relocation which we have not so far experienced on a major scale.

The third and by far the most complex factor influencing the budget has been the comprehensive reassessment of our local government institutions contained in the report of the Byrne Commission. A White Paper dealing with this topic has already been presented to the house. That paper identified what the government considers to be the key question of public policy raised by the Byrne Report — the extent to which the province should guarantee minimum standards of opportunity and services to all New

Brunswickers, using the principles of fiscal equity which we in the Atlantic Provinces have consistently urged the federal government to follow.

The White Paper noted the need for a full understanding of this question before approaching the secondary questions of governmental machinery and financial mechanisms. This paper also made clear the government's philosophy with respect to the disadvantaged areas of the province and pointed to the general direction of our solutions.

Mr. Speaker, the test of any budget is its content. I wish now to outline the program highlights which this budget will implement.

Education

The sizeable increase in expenditures on education stresses our belief that heavy investment in our young people will show rapid repayment. This year's budget shows an increase for the department of over \$2 1/2 million; grants to schools and universities for capital construction are increased by a further \$2,000,000.

Perhaps the most notable feature of our budget for education is the magnitude of our programs for increasing vocational and technical capabilities. Provision is made in the estimates for the further development of our program of vocational education, including the opening of the new trade school at Edmundston. Additional courses will be offered at all schools during the coming year. The operating costs of this program now total \$7.5 million as compared with \$2.2 million just five years ago. It is expected that over 2,000 full-time students will be taking advantage of these facilities in 1965.

There is probably no better example of our economic growth than the special training program for economic development which will begin this year. Developments at Mactaquac, Belledune and Dorchester Cove indicate a need for massive pre-employment training of over 2,400 workers. For example, over 600 carpenters and helpers will need to be trained or upgraded. A gross amount of \$1,200,000 is included in the estimates for this very purpose.

Hon. Mr. DesBrisay — March 5

Similar expenditures are found in the Department of Labour. The increased enrolment in apprenticeship training programs and the certification of an increasing number of qualified workers under the provisions of the Tradesmen's Qualifications Act will require an additional \$120,000. It is interesting to note that the Department of Labour's expenditure, and hence its services, have doubled in the past five years.

While not involving heavy expenditures, one of the more significant features of the budget is the increased emphasis on review of the school curriculum. Provision is made both for permanent staff and part-time committee members to update and improve this most basic aspect of our educational system.

The increased pressure on our universities will result in operating grants next year of \$2,738,000 and construction grants of \$2,580,000. Amounts are also included to permit the full utilization of our impressive new facilities at Teachers' College.

At this point, Mr. Speaker, I wish to express my pleasure at the announcement in the throne speech of a second teachers' college at Moncton. It is an ideal choice for a bilingual facility.

Institutions of this nature enrich any community. The University of Moncton is an example which comes rather readily to mind. Just recently I learned of the university's plans to make their computer services available to community groups and individuals. This seems to me to be a most excellent and most practical example of how a university can contribute to the economic life of a community. I know that all universities in the province would want to make similar contributions to the economic and social life of their community and their province.

Continuing, he (DesBrisay) spoke next in French, translating his remarks in the preceding two paragraphs as follows:

Monsieur l'Orateur, je suis heureux de souligner l'annonce contenue dans le discours du trône, à l'effet qu'une école normale sera

construite sur le campus de l'Université de Moncton. Moncton est certes l'endroit idéal pour un service de ce genre.

Vous me permettrez de mentionner qu'une institution comme celle-là ajoute au bien-être de n'importe laquelle ville. L'Université de Moncton en est un exemple. Dernièrement j'apprenais que cette université aurait, dans un avenir rapproché, un ordinateur électronique. L'université a l'intention de placer cette machine au service de la population tout entière de la région. A mon sens, ceci démontre par un exemple pratique un cas où une université peut contribuer à l'avancement économique d'une région. Je suis certain que toutes les universités de la province veulent apporter une même contribution à la vie économique et sociale de leur communauté et de leur province.

Health, Youth and Welfare

As with education, expenditure which improves the health of our citizens is an enlightened investment. Several important improvements in our health program indicate that this aspect of our population's capabilities has not been neglected.

An oral polio vaccine campaign is planned which this year will cover over half our population. Priority in this program will be given to the northern part of the province where the level of immunization is lowest. Further increases are planned in our complement of public health nurses and mental health workers. A poison control centre — the province's sixth — will be opened to serve the Bathurst area. A new mental health clinic is also planned for Bathurst.

Major advances will be made during the year in our program of alcohol education and treatment. Grants of \$20,000 to private organizations for the care of alcoholics will be made. A total of 54 beds at Lancaster and Campbellton, together with the necessary staff, will be devoted to the in-patient treatment and rehabilitation of alcoholic patients.

The steady improvement of staff resources at our mental institutions will be continued. A two-year in-service training course for nurses'

Hon. Mr. DesBrisay — March 5

assistants will be established. Ward attendants at Campbellton and Lancaster will be pleased to learn of the budgetary decision to implement the 40-hour week as soon as additional staff can be hired. Plans are also being formulated to convert the Jordan Memorial Sanatorium to operate as part of our mental health service.

In the field of hospital services, I am pleased to announce a major extension of out-patient services. A wide range of costly laboratory and X-ray procedures will now be available without charge to all citizens. Major extensions in regional laboratory facilities and services are planned in conjunction with this change. The new out-patient benefits will cost in excess of \$500,000 a year. But this is the kind of expenditure which pays dual dividends, Mr. Speaker — not only does it remove a burden from those least able to afford it, such a program, in the long run, also decreases the demand for costly hospital beds.

I should like to spend a few moments on the difficult problem of controlling hospital costs. This year we have contained hospital expenditures within the estimates. Next year we are planning changes in the hospital budgeting procedures which, we hope, will ensure that expenditures are even more carefully controlled. Some cost increases are difficult to avoid — for example, the amounts granted this year to enable hospitals to increase the salaries of their nursing staff.

Our basic costs arise, however, from the number of hospital beds we have and the way we use them. Our bed population ratio is above the national average, and we are pleased that this is so. Unnecessary costs are incurred, however, whenever hospital beds are used unnecessarily, whenever patients remain after hospital convalescence is complete. This is a problem on which everyone can help — the lay public, hospital administrators, and particularly the medical profession in whose hands lies the authority for admission and discharge. It would be regrettable if further advances in the health field had to be postponed because funds are di-

verted to unproductive and unnecessary purposes.

The budget of Youth and Welfare contains a rather interesting example of this very point. As a result of increased employment opportunities and a greater use of professionally-trained social workers, the number of people receiving social assistance from municipalities is expected to drop sharply in the coming year. Estimates have accordingly been reduced by \$350,000 from the budget figure for the current year — a third of a million dollars now available for other purposes. Some expansion is planned in the Youth Division's estimates for the kinds of programs which are more positive in purpose — programs designed to channel the activities of our young people into useful and rewarding pursuits.

Municipal Affairs

In the Department of Municipal Affairs, funds have been provided to complete the province-wide re-assessment of all real estate which has been under way for the past two years. By Jan. 1, 1966, all municipalities will be using revised and uniform assessment figures. We feel that the discrepancies and inequities which existed in past years will be eliminated in the future calculation of real estate taxes. The additional cost to complete this program is \$90,000.

The municipalities will be pleased to learn that the figure for the payment of municipal subsidies is estimated at \$8,358,000 for 1965-66. This is an increase of \$813,000 over the revised expenditure figure for the current year. Mr. Speaker, it is interesting to note that, since 1959, municipal subsidies have increased by over \$3.5 million. The municipal subsidy figure is based on the province's estimated tax receipts from Ottawa. These are expected to show a substantial increase in the new year due to continued economic growth within the province and the increased amounts being turned over to the provinces by Ottawa.

The municipalities and other initiating agencies will have at their disposal in the new fiscal year \$150,000 to be paid as grants toward eligible projects undertaken to commemorate the centenary of Confederation in 1967. This, I might

Hon. Mr. DesBrisay — March 5

point out, represents only the first portion of the funds available from the provincial and federal governments for this purpose.

Administrative Improvements

Further measures to promote efficient administration and good personnel relations throughout the Civil Service will be implemented during the coming year. With respect to pay and conditions of employment in the public service, there are three developments worthy of special note. An amount of \$440,000 has been provided in the estimates for adjustments to be made in the pay ranges of various job classifications in the Civil Service.

In the Department of Public Works, some 700 to 800 employees, previously employed at an hourly or monthly rate, will receive permanent status and become eligible for all the benefits of the Civil Service and Public Service Superannuation Acts.

The work of the Pension Study Committee, established last year to examine the pension plans within the public service, is well in progress. The committee's report, expected during the coming year, will probably recommend improvements of benefit to all employees.

In the Department of Finance, some staff increases are planned in recognition of the increasing scope, volume, and complexity of our financial operations. A reorganization of functions is already under way to strengthen our financial control. The procedures for preparing the budget itself have been developed to permit more detailed planning and a more comprehensive review of the estimates at all levels of government. The budget also provides for increased professional staff in order that the invaluable services provided by the Office of the Economic Advisor may be extended.

The estimates of the Department of Public Works will contain a new vote to provide for the purchase of furniture and office equipment for all departments, together with provisions for additional equipment required in the new Centennial Building. The ownership of all fur-

niture and equipment is being transferred to Public Works to permit more efficient utilization and maintenance. Savings are expected to result from bulk purchasing of standardized items.

Economic and Industrial Development

Mr. Speaker, earlier I dealt with those programs which are directed towards enhancing the physical and mental capabilities of our citizens. The second broad band of government programs is concerned with creation of an economic environment in which those capabilities may be used to the fullest possible degree.

This budget recognizes the importance to our economy of the land and the sea and the treasures they hold. The Department of Agriculture shows an increased budgetary provision of more than 10%. New positions are to be established to expand the farm woodlot management program. Amounts are provided for reforestation—a quarter of a million trees may be planted in lands which are presently unproductive. Both programs are in accordance with the recommendations of the Seheult Report. Additional resources will be devoted to the new potato seed farm which was established in the past year.

The value of mineral production in New Brunswick has almost tripled since 1961 and yet the potential of our mineral wealth is far from fully realized. This budget makes a provision this year of \$78,000 to begin an ambitious five-year program to evaluate the mineral resources of the province. The plan will include detailed mapping, calculation, and evaluation of metallic and industrial mineral resources, groundwater studies, aeromagnetic surveys, and detailed analysis of selected areas and minerals.

The Wildlife Branch of the Department of Lands and Mines will expand its program this year by undertaking a survey of bird population in provincial wetlands, and by improvements to the increasingly-popular Game Farm at Magnetic Hill. A wildlife park will also be established at McGraw Brook in Northumberland County.

Hon. Mr. DesBrisay — March 5

Various Agricultural and Rural Development Act — better known as ARDA — projects will continue in the Departments of Agriculture and Lands and Mines. In addition, over half a million dollars will be included in a central vote which will be available to any department for worthwhile and eligible projects. A full-time staff has been approved to ensure that maximum benefits will be obtained from the broad and imaginative ARDA agreement which is presently being finalized.

An increase of almost 25% for the Department of Fisheries is required to carry forth the developmental work undertaken this past year. The enthusiastic response to the Fisheries School at Caraquet will result in increased costs. Exploratory fishing projects are to be expanded with the assistance of the federal government, with special attention to new types of gear and equipment for tuna and ground fishing. The success of the Fisherman's Loan Board will require provision for advances of \$2,673,000 — about three-quarters of a million dollars above the amount for loans in the current year. The major part of these funds will go towards the construction of new fishing vessels.

The increased pace of industry and commerce has made tremendous demands on our transportation network. The year 1965-66 will see the largest capital program for highways ever undertaken in our history. The gross program of \$32,000,000 will be highlighted by an extensive reconstruction of bridges and a \$22,000,000 drive towards the completion of the Trans-Canada Highway.

The programs I have been describing are mainly concerned with the economic foundations on which industry and commerce are based. Other agencies, notably the Research and Productivity Council, the Department of Industry, and the New Brunswick Development Corporation, are aimed more at providing concrete assistance and stimulation for industrial development.

As planned, our grant to the Research and Productivity Council will be increased by \$100,000 this

year. Even though it has been in operation only a short time, the council's efforts so far have produced useful returns. This is undoubtedly due to their policy of emphasizing assistance to industry of a practical nature. The manner in which industry has responded to the Basic Methods Study courses offered by the council is an excellent example. The recently-announced grant of \$1 1/4 million from the Atlantic Development Board will consolidate the council's position and provide a basis for constructive forward planning.

The estimates for the Department of Industry are being increased to permit a general strengthening and reorganization of our services to industry. During this past year a highly successful service of marketing assistance was established. In the coming year it is proposed to expand our industrial information, financial, and analytical services.

The handicrafts program continues to be active and popular. More than ever, the program is working towards the establishment of a substantial handicrafts industry in the province, based upon the high standards of quality which have already been achieved. The School of Handicrafts at Fundy National Park is a major tourist attraction and has been most successful in prolonging the stay of the visitor.

With the three other Atlantic Provinces, we share in the maintenance of the Canadian Atlantic Provinces Office in London, England. Through this office British and European businessmen and industrialists have learned that there is a part of Canada east of Montreal, and that industrial information and development services concerning the Atlantic Provinces are available to them.

Another service deserving mention is the Industrial Development Board. Since it began operating in 1956, the board has given financial assistance to 38 entirely new industries and to 30 older companies expanding or strengthening their operations. In most cases, funds were not available through conventional sources of credit. At the end of the last fiscal year, the board had loans under guarantee totalling \$7,710,000.

Hon. Mr. DesBrisay — March 5

Mr. Speaker, I would like to devote some time to the policy and activities of the New Brunswick Development Corporation — partly because I am proud of its work and partly because of the tremendous interest which has been shown in this house and by the general public.

Mr. PATTERSON: Was that written before you were demoted?

Hon. Mr. DesBRISAY: This budget will authorize advances to the corporation of almost \$6,000,000, and already there are signs that this may not be sufficient to meet the joint plans of the corporation and various private industries. Included in this amount are operating funds for the corporation of \$110,000. It is our intention to charge the operating costs — the \$110,000 to which I have just referred — to the various projects undertaken and so ensure their recovery on disposition of the projects.

A full review of the corporation's policies and activities will be found in its annual report which I will have the pleasure of tabling very shortly. Let me summarize our position at the moment.

The program of the corporation rests on the premise that there is no shortage of industrial opportunities in New Brunswick. There is a shortage of people who can identify and develop those opportunities. The role of the corporation is to act as a stimulant by finding the opportunity, proving its economic feasibility, and, if necessary, demonstrating our faith in its soundness by proceeding with construction and operation. A private entrepreneur is welcome to enter at any stage of this process and negotiate a financial arrangement for the industry.

This approach concentrates our efforts on industries which are economically feasible in a competitive situation. Care is also taken to ensure sound management, competent technology, and adequate financing. It follows, then, Mr. Speaker, that we will place little reliance on competing with other areas by way of costly concessions and/or unorthodox financial incentives.

Our biggest undertaking to date is the establishment of Westmorland Chemical Park. Plans for the coming year contemplate completion of the park's basic facilities, completion of an ammonium nitrate plant, and the further development of plans and designs for urea, acetylene, sodium sulfate, hydrochloric acid, formaldehyde, plastics, lime and soda ash plants. The groundwork necessary for other parks of a similar nature will also be undertaken.

Yesterday the Premier announced major additions to our industrial development team and structure. I am sure that all members of this house were as delighted as I to learn that such eminent personalities have agreed to share with us in our efforts to improve the social and economic well-being of all New Brunswickers. May I express the hope that other business and community leaders, and indeed all citizens of the province, will follow their example and ensure the widest possible participation in our future development.

The Cost of Development

While few would dispute the desirability of industrialization or disparage the development that we have achieved, it would be unrealistic to ignore the social costs incurred as a result of our progress. Earlier I referred to these as "the costs of success". The very existence of certain of these costs is, indeed, an indication of how far we have progressed.

Several examples are contained in this budget. The New Brunswick Water Authority has been authorized to engage engineering personnel to deal with problems of industrial pollution. The Mines Branch plans to establish a Mine Rescue Station at Bathurst to provide continuous training for employees in mine safety and rescue techniques at a cost for next year of \$71,000. The branch will also install facilities to analyze atmospheric conditions in Gloucester County, so as to assist in the control of fumes when smelter operations begin. The Department of Labour will further expand its technical services for safety inspections of industrial devices.

The budget also contains various

Hon. Mr. DesBrisay — March 5

public safety measures of a more conventional nature. Under the Attorney General's Department, provision has been made for the necessary staff to enforce the regulations under the Electrical Installation and Inspection Act. The Provincial Secretary's estimates contain two major improvements in highway safety: the purchase of breathalyzers and training of staff necessary for their operation, and the required staff and equipment to implement a voluntary program of auto safety checks.

Members will be particularly interested in the proposed establishment of a Community Improvement Corporation. This agency is designed to turn problems to public advantage: for example, where construction of a major project such as Mactaquac requires people to relocate, the corporation will assist in that relocation and attempt to achieve a more economic and a more pleasing settlement pattern. Initial funds in the amount of \$300,000 will be provided by way of advances, with an additional \$33,000 for the corporation's operating expenses on ordinary account. It is hoped that these amounts may be supplemented by ARDA funds to foster community development and improvement in any area where special assistance is required.

Some ARDA funds will be used for another problem resulting directly from industrial development. The huge industrial complex on the North Shore will require the development of housing, schools, hospitals and all the other needs of modern living for a large number of new industrial workers. The province must determine whether such facilities should be located at Bathurst, Belledune, or elsewhere, or whether the whole pattern of settlement should be left to the whims of individual discretion. It is planned to engage competent consultants to help us examine this whole problem.

Maritime Union

I should like to make a short reference to the forthcoming study of Maritime union by reviewing briefly the joint efforts which are currently undertaken by the several Atlantic Provinces.

For some years now we have had

an annual meeting between the Atlantic Premiers where problems of mutual concern are discussed. A direct offshoot of the Premiers' Conference was the establishment of the Atlantic Provinces Research Board which is financed jointly by the four provinces. This body works closely with the Atlantic Provinces Economic Council in promoting the development of the Atlantic area by undertaking basic economic research, promoting the sale of our goods and making people more aware of the region and its potential.

In an attempt to extend these efforts abroad, Atlantic Provinces House was established in London as a joint venture of the four provinces, and is supported by them. There are also two private organizations supported by the provincial governments and doing a most useful job in providing information and services in support of the Atlantic Provinces' economy — the Maritime Transportation Commission, a development of the Maritime Provinces Board of Trade, and the Maritime Lumber Bureau.

The most recent example of interprovincial cooperation has been the decision to undertake a joint project at the 1967 World's Fair in Montreal — the Atlantic Provinces Pavilion. It is felt that by marshalling our regional resources in this way we shall more effectively project our image to the rest of Canada and the world. For this purpose the government has made an initial provision of \$150,000 toward New Brunswick's share of the project.

It is indeed heartening to see that our united approach to our problems is also used for federal programs in this area. I need only mention the Atlantic Provinces adjustment grants, the Atlantic Provinces power development program, and most recently, the Atlantic Development Board, to indicate the general acceptance by all levels of government of this broad method of seeking remedies to our long-standing ills.

It is our hope that the proposed study to be conducted by New Brunswick and Nova Scotia will result in further steps to achieve the economic well-being of the Atlantic area.

Hon. Mr. DesBrisay — March 5

Budget Summary

Mr. Speaker, this budget makes no provision for implementing any of the key recommendations of the Byrne Commission Report. It has already been indicated that legislative action reflecting the government's choice of institutional machinery and provincial-local relationships will be taken at a later date.

I would draw your attention to one new item listed under the Premier's Office — an amount of \$22,000 for a function entitled "Government Organization". This office will coordinate the planning required in implementing the government's choice of alternatives.

The overall budget reflects a general strengthening of the provincial programs and administrative structure in those fields with which the Byrne Report is concerned. Regardless of the form which our solutions may take, a strong capability in education, health, welfare and justice will be required at the provincial level. This budget continues the program of administrative improvement and consolidation which we began in 1960.

The budget which I have presented today contemplates a record expenditure of \$145,468,506 with revenues of \$145,946,310, indicating a surplus of \$477,804. Our capital plans call for an expenditure of \$41,901,720 with estimated recoveries of \$23,683,860, making a total expenditure on ordinary and capital account of \$187,370,226.

At first glance, a budget of \$187 million appears a staggering amount. Indeed, it triples the total budget brought down in this house just 10 years ago, and almost doubles the last budget brought down by my predecessor in 1960. I am not often in agreement with the opinions of my predecessor, Mr. Speaker, but I must concur fully with his remarks on that occasion. He pointed out that if a community, a province or a country is growing, budgets are bound to go up. This budget demonstrates admirably not only that New Brunswick is growing but that its growth is dramatically rapid. If the 1960 budget was a "growth budget" as claimed,

then I suggest that our budget today marks New Brunswick's "coming of age".

Hon. Mr. ROBICHAUD and Govt. Members: Hear, hear!

Hon. Mr. DesBRISAY: An even better measure of a province's growth lies in its ability to finance its expenditures. Mr. Speaker, this record budget contains no new taxes.

Mr. STAIRS: Surprise, surprise!

Hon. Mr. LEVESQUE: You are!

Mr. McINERNEY (St. J.): Just a new debt.

Hon. Mr. DesBRISAY: An analysis of the various revenue sources clearly demonstrates that our increased revenues are resulting from a stronger and growing economy.

A substantial portion of that strength is the direct result of heavy capital expenditures which we have made over the past five years. These expenditures are sound investments for New Brunswick and consequently we have not been afraid to borrow funds in order to finance them. The overall effect of the proposed budget is to increase the net debt by \$8,240,000 — some \$4,000,000 less than the budget one year ago. To critics let me say that the reality of the situation is that these expenditures must be made if growth is to be sustained.

If I may again quote my predecessor from his 1960 budget speech, the last one he made in this house, "the answer is not to cut services". We have not and do not intend to cut services — in fact, services have increased. Our debt position is fully in keeping with the financial plan I outlined two years ago. The budget will be balanced within the period stated.

Mr. PATTERSON: When is that?

Mr. HORTON: Your three years are up, Dud.

Hon. Mr. DesBRISAY:

We have faith in our province.

We have faith in the future.

We have faith in the new New Brunswick.

Debate On Motion

Mr. SPEAKER put the motion which led to the budget debate.

Mr. PATTERSON moved adjournment of the debate.

March 5

Hon. Mr. CROCKER: You nearly didn't make it, Don, what happened?

Hon. Mr. ROBICHAUD moved that the house adjourn.

The house adjourned at 3.55 p. m.

Daily Sitting No. 13

Assembly Chamber,
Tuesday, March 9, 1965.

The house met at 3 p. m.

Welcome Extended

Hon. Mr. ROBICHAUD: Mr. Speaker, again this afternoon we have two groups of students visiting the Legislature. First of all, from Fredericton Junction, in our neighboring county of Sunbury, we have a group of 24 students of the Sunbury West Regional High School, Grade 9A, accompanied by their teachers, Mr. John Dryden, Mrs. Margaret Hawkes and Mrs. Norma Alexander.

We also have, from farther away, from the Caraquet Regional High School, 15 scouts of the Rover Scout troop with their leader and also their school teacher, Mr. Raymond Gionet.

We want to welcome both groups, assure them of our warmest hospitality and ask them to come again to visit us.

Au groupe de Caraquet tout particulièrement je souhaite une bienvenue la plus cordiale parce qu'ils viennent d'une région un petit peu plus éloignée, et je leur demande de nous visiter aussi souvent qu'ils leur sera possible de le faire.

English Translation

I wish to extend a cordial welcome to the group from Caraquet particularly, because they come from a region a little further away, and ask them to come and visit us again as often as it is possible for them to do so.

Welcome Extended

Mr. SHERWOOD: Mr. Speaker, we continue to be honored in this

chamber by visitors in the gallery from the various schools of New Brunswick and it's a pleasure on behalf of the opposition to extend a word of additional welcome to the students from Sunbury West Regional High School and, as well, the Scout group all the way here from Caraquet.

We are glad to see you in the gallery, we hope you'll enjoy your day in Fredericton and that you'll come back and visit us again.

Second Reading

Bills Nos. 37 (Counties amdt.) and 38 (Control of Municipalities amdt.) were read the second time and referred to the committee of the whole house.

Reports of Commts.

Mr. MITTON, as chairman, submitted the first report of the committee on agriculture, which was adopted.

Oral Inquiries

Mr. SHERWOOD: Mr. Speaker, I should like to direct a question to the Hon. Minister of Public Works. Could you, Mr. Minister, advise the house if the Evandale Ferry is in operation across the St. John River?

Hon. Mr. RICHARD (Kent): At the present time?

Mr. SHERWOOD: Yes.

Hon. Mr. RICHARD (Kent): Mr. Speaker, no, I could not answer that. I'll have to inquire of the officials of the department.

Mr. SHERWOOD: Mr. Speaker, could the minister advise the house what ferries between Fredericton and Saint John are in operation across the St. John River?

Hon. Mr. RICHARD (Kent): How many are operating now, as of today?

Mr. SHERWOOD: Yes.

Hon. Mr. RICHARD (Kent): No, I can't. I can check and give you the answer tomorrow.

Mr. McINERNEY (St. J.): There are not too many.

Mr. SHERWOOD: Mr. Speaker, I wonder if the hon. minister would be good enough to take my questions as notice and advise the house tomorrow.

Hon. Mr. RICHARD (Kent): Yes, I'll do that.