

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 9 March, 1982

Time — 8:00 p.m.

## THRONE SPEECH DEBATE

**MR. SPEAKER:** On the proposed Motion of the Honourable Member for The Pas, the Honourable Member for Pembina has 26 minutes remaining.

The Honourable Member for Pembina.

**MR. ORCHARD:** Thank you, Mr. Speaker. I would like to take this opportunity to inform you that I have been designated as the spokesman for the Official Opposition on this matter, Mr. Speaker

**MR. SPEAKER:** Order, please. I wonder if the Minister would excuse me a moment while I deliberate with the Deputy Clerk of the House.

**HON. ROLAND PENNER, Attorney-General (Fort Rouge):** Mr. Speaker, before you make your ruling, you presumably would probably have drawn to your attention, Rule 33(2), and I would ask that you make your ruling on the basis of that Rule. The member having risen and spoken as an ordinary member without prior notice to you, as one designated in the capacity he now claims for himself, can't switch horses in mid-stream and I would ask that you rule that he complete his remarks as he began them, that is as an ordinary member of the House.

**MR. SPEAKER:** The Honourable Member for Virden on the same point.

**MR. HARRY GRAHAM (Virden):** On a point of order, Mr. Speaker, I think it's very unfair to this Assembly for the Government House Leader to order you to make a ruling on such-and-such a rule. That is the prerogative of the Speaker to make his rulings according to the Rules of this Assembly.

**MR. SPEAKER:** The Honourable House Leader.

**MR. PENNER:** I ask that you make your ruling having drawn your attention to that Rule. It will never be my role as it has been the role of some members opposite, to try to order the Speaker.

**MR. SPEAKER:** I thank the two members who have spoken to the Point of Order and I would draw the Honourable Member for Pembina's attention to Rule 33(2)(a) which has been quoted which does require that prior notice of the designation be given to the Speaker in advance of a member speaking on behalf of the leader of a party. The fact that the Member for Pembina started speaking this afternoon at approximately 5:15, it would be my ruling that the member did not give the prior notice required by our rules. The member then is restricted to 40 minutes, and he has 26 minutes remaining.

**MR. ORCHARD:** Thank you, Mr. Speaker, I apologize for not giving you that prior notice.

Mr. Speaker, as I wound off at 5:30, I was indicating

the first and foremost failure that the First Minister will deem on Manitobans as a result of the Throne Speech, and that being that my government is committed to protecting the family farm, into the rural values which help shape this province. Now I noted a singular lack of reaction from the newly elected members in the backbench, and, Mr. Speaker, I find that most encouraging because that means to me that the newly elected members in the backbench of the Government indeed are the objective ladies and gentlemen that we expect them to be, that they have not had their minds made up by the members of the frontbench, on the Treasury Bench, on the matter of reverting MACC back to state ownership rather than long-term mortgages.

But, Mr. Speaker, the trend is still very alarming. We see the Minister of Natural Resources discontinuing Crown land sales. We see illusions by the Minister of Agriculture that, indeed, he will go to that state farm program and I want to ask, on behalf of rural Manitobans, the members of the backbench of the government to stand up to your Treasury Bench and not allow that to happen. You people have the future of the family farm in your hands, and if you entrust it to some of your Treasury Bench members, you will have failed the family farm owners and future generations of family farms in the Province of Manitoba. So the weight is heavy indeed upon your shoulders, faced with the kind of bent and trends that have been demonstrated in the term of office of some of your Treasury Bench Members from 1969 to 1977. And, Mr. Speaker, I offer another challenge to the members in the backbench of the new government. During the election campaign I had opportunity to be on the Peter Warren show with the Minister of Finance. Now in that particular discussion the Minister of Finance and myself had, we were speaking as spokesmen for our respective parties; that was confirmed in advance of that phone-in program. And during that program the now Minister of Finance distinctly said that his government, his party, had no intention, Mr. Speaker, of bringing in succession duties and gift taxes in the taxation regime of Manitoba. That, Mr. Speaker, was a commitment that the Member for Rossmere made on behalf of the ND Party during the election campaign.

Now, Mr. Speaker, here is the second challenge to the members of the opposition backbench. Their Treasury Bench will — and there has already been some wavering by the Minister of Finance about succession duties and gift taxes — bring those in within the next four years in an effort to glean revenues from the family farms of Manitoba, and I want you, ladies and gentlemen in the backbench who have numbers control over your Treasury Bench — you can rule them down any time you want and never forget it — remember the line that "my government is committed to protecting the family farm." Do not let your Minister of Finance bring in succession duties and gift taxes, because if you do there are four members that are particularly vulnerable in rural Manitoba. One is the MLA for Gimli, the other is the MLA for The Pas, the MLA for Dauphin and the MLA for Springfield. I almost forgot about the young fellow over there - -

(Interjection) -- and I think the Premier has probably forgotten about him too. But, Mr. Speaker, those four members have the honour and the distinction of being in this House as a result of defeating Conservative candidates. I ask them, now that they are so euphorically applauding my last statement, when your Minister of Finance contemplates bringing in succession duties and gift taxes, go out and talk to your farm population that I don't think helped to elect you, but ask them what they think about succession duties and gift taxes and how they will preserve the family farm when they are reinstated, and gentlemen and ladies, if you have the constitutional fortitude you will resist any effort by your Minister of Finance to bring in succession duties and gift taxes.

The Member for St. Rose, the Member for Lac du Bonnet and the Member for the Interlake have already been through that regime. They imposed them, they kept them and they were destroying the family farms because they didn't care; they have nothing to lose. But you four gentlemen do have a lot to lose if you allow your government to bring in succession duties and gift taxes.

Now, Mr. Speaker, the Member for Turtle Mountain had a very interesting philosophical treatment of socialism tonight and we got into some of the things which, and I just want to once again put on the record that Mr. Pawley, the then Premier, said in the January, 1982 Winnipeg Magazine article that "I consider myself a socialist." Now socialists don't believe in the right to own property, and, Mr. Speaker, the reaction you see is, oh golly, and great disdain and everything, but, Mr. Speaker, the proof is in the pudding in Ottawa. The New Democratic Party in Ottawa, combined with the other socialist party in Ottawa, the Liberals, defeated an amendment which would have entrenched in The Charter of Rights, the right to own property.

**MR. SPEAKER:** Order, order please. Would the members give the honourable member who is speaking the courtesy of the audience.

**MR. ORCHARD:** Mr. Speaker, the N.P. Party in Ottawa combined to defeat the right to own property as an entrenched right in The Canadian Constitution. They were following their socialists beliefs. Now I can understand some hesitation in the backbench. If you don't consider yourself to be a socialist, then fine, admit it. There is nothing the matter with disguising New Democratic beliefs with socialism and saying, "I'm a New Democrat but I'm not a Socialist." You'll probably have more Manitobans appreciate you by not saying you're a socialist than saying you are. But, Mr. Speaker, we have got a government that is going to go to state ownership of farm land, and you know, ladies and gentlemen, we could agree with that if you could demonstrate one socialist country in the world where the state owns the land that is capable of feeding themselves. Can Poland do it? Can USSR do it? So before your Minister of Agriculture takes MACC into the State Farm Program, do a little research and oppose that move by your Minister of Agriculture, and oppose the move by your Minister of Natural Resources to discontinue Crown land sales. State ownership of land has not worked in the countries where it is the

land resource ownership policy and it won't work in Canada, and it won't work in Manitoba. So if you want to be true to your constituents who elected you do not fall for the socialist jargonism from your frontbench on state ownership of land, don't fall for that. Do not, gentlemen and ladies, fall for that.

Now, we have another very very interesting document here where the Leader of the Opposition at the time, the Leader of the Manitoba New Democratic Party in his election campaign, indicated that ManOil and Manitoba Hydro were going to provide revenue to ensure no Manitobans lose their house. Well, one thing that he said in the back was, "That's a promise we can guarantee." What so far, the now Premier of the province has guaranteed to Manitobans is that ManOil will drain \$20 million away from interest rate relief to provide protection to farms, homeowners and businesses in danger of losing their homes and businesses because of high interest rates. It is a promise that we can keep on this side of the House, that ManOil will take those necessary dollars away from the businesses, the farms and the homeowners who need them for interest rate relief and plough them into a socialist ideology. And, Mr. Speaker, that's fine and dandy if you have lots of money in the Province of Manitoba; that's a wonderful thing to do if you want to waste some money; but we have got very real needs, you have made very real commitments to the people of Manitoba and you will break them to put money into ManOil, \$20 million that could save Manitobans from losing their homes, their farms and their businesses. So, Mr. Speaker, we know that's a promise we can keep on this side of the House that they, in fact, will deprive needy businesses, needy farmowners and needy homeowners of interest rate relief. And whilst I'm on the subject of ManOil I would highly recommend to anybody who would care to read a recent article about a gentleman by the name of Joel Bell. Joel Bell is a very interesting character who has helped to formulate Federal Government policy in such weighty matters as energy and the formation of the Crown Corporation, PetroCan, and here's the problem with Crown Corporations; Crown Corporations soon can get out of control, particularly if they're designed with a socialist bent and I'll just draw one example of that, that being a comparison between the Saskatchewan Government Insurance Company and the Manitoba Government Insurance Company.

Ours under four years of Conservative administration provided better coverage, provided greater benefits, at a lower cost, employing fewer people; because, in Manitoba, we didn't use the Crown Corporation, the Insurance Corporation, as an eternal retirement place for party hacks, which they have done in Saskatchewan and they have twice as many employees, they have higher rates, lower benefits and a bigger deficit.

That's the danger of Crown Corporations and, Mr. Speaker, we will watch the Manitoba Public Insurance Corporation under the next four years that this government is in place, and I will guarantee you that it will become an eternal retirement home for some of their party hacks because they're soon going to fill this building up, Mr. Speaker, and there's not going to be enough room in this building and in the Premier's office. So, they will move to Manitoba Public Insurance Corporation and it's beyond the scrutiny of this

Legislature so we can effectively criticize them for doing so.

Now they're going to set up another Crown Corporation, namely ManOil, to do the same thing, Mr. Speaker; and do you know what happened to ManOil under the terms and conditions of the Federal Liberal Government in Ottawa? Well, they made an excellent deal. They bought Petrofina shares which were trading at approximately \$65 per share for \$120; and you know what Mr. Joel Bell says about that? He says, that's cheap by commercial standards, almost double the price, out of the scrutiny of Parliament, and that is what the Federal Conservative Party is fighting against right now and not being supported by the socialist party in Ottawa. They are willing to let Petro Canada's omnibus energy bills go through to allow the Federal Government to run away with public expenditures, and that will happen in Manitoba. And, Mr. Speaker, the important thing about the Petrofina share purchase is that the former Chairman, Mr. Morris Strong, who was retired as the Petro Canada Chairman at the time of that share purchase received a finder's fee. Now bear in mind, Mr. Speaker, the finder's fee was paid to him for paying almost double the market value for the shares that he arranged purchased for by PetroCanada. And you know what his finder's fee was? 945,000 Canadian taxpayers' dollars. That's the kind of pork-barrel that ManOil will turn into, I guarantee you, it'll be out of the scrutiny of this Chamber and that government will use it as a plum for the socialist hangerson that they've got collecting around this building. That is the danger and I want each and everyone of you to read this article and then make your own mind up about ManOil and the kind of freewheeling spending that it will get into.

So, Mr. Speaker, the other thing that happens in this great little article of election promises by the Leader of the Opposition at the time and now the First Minister of the Province, there is one very true thing on about page four, it shows a picture of a man and I assume that this man must work for the Crown Corporation ManOil, because he has ManOil on his hardhat and you know what he is doing, Mr. Speaker. He's got his arms crossed and he's doing nothing, which I believe happens to most of the employees in ManOil. They will be a bloated bureaucracy doing nothing at the expense of the taxpayers of Manitoba.

There is also, Mr. Speaker, one other very truthful thing in this rather dubious group of election promises and quite unusual statements which are not going to stand the scrutiny of the public over the next four years. On about page six, Mr. Speaker, I draw your attention to a picture, an artist's conception of a Manitoba Hydro dam I assume on the Nelson River. There is one true thing with the picture of a Manitoba Hydro dam and I want each and everyone of you to see it, and that is that the water is running over the floodgates and not through the generators because there is over-capacity in the hydro system, compliments of the Schreyer administration from 1969-77. They overbuilt the system by 1200 megawatts, and today we have the great news from the Minister of Energy and Mines that he blew another deal and Ontario is no longer going to be buying surplus power from Manitoba. So, Mr. Speaker, that caricature of a Manitoba Hydro dam is absolutely truthful in that election campaign. It is one

of the few things that is true about it, the water is going over the floodgates and not through the generators.

That brings me to the last point that I want to make to the Honourable First Minister. He promised us in this document of election promises immediate orderly development of our hydroelectric resources. That, two years ago, Mr. Speaker, meant that we should have started building Limestone that they cancelled in 1977. But now that they are government, Mr. Speaker, and it's so nice and easy when in Opposition, to criticize and make foolhardy statements, it is now their role, Mr. Speaker, to live up to the election promises. It is now their job and the First Minister's responsibility, Mr. Speaker, to carry out that promise of immediate orderly development of our hydroelectric resource.

And, Mr. Speaker, the first promise that they will fail to keep and it will lie heavily on the First Minister's shoulders, is his breaking of the promise to farmers in Manitoba of preservation of the family farm. He will break that one in the matter of a year. He has already broken the promise on interest rate relief Mickey Mouse program over two years for three categories, which will not help anybody who really needs help. He will break the next one on immediate, orderly development of hydroelectric resources in Manitoba. And, Mr. Speaker, it's quite correct that he breaks that promise; it's better that he admit today to Manitobans that he told them a less than truthful statement in his election campaigning, that he maybe misled them a little bit. He should be man enough, Mr. Speaker, the Member for Selkirk, to get up and tell the people of Manitoba that he misled them in that regard. Because, Mr. Speaker, as I have said today his Minister of Energy and Mines is not going to be able to renew a surplus power sale to Ontario, so that the capacity is now going to be still there and still there and excess capacity costing Manitobans. Mr. Speaker, that is one promise that we won't mind the Member for Selkirk not keeping.

But, Mr. Speaker, I want to close with a small matter of point to the First Minister of the Province of Manitoba. When you go out to the people of Manitoba and you have built up their expectations that there is going to be renewed jobs, that Manitoba is going to prosper under an N.D. Party Government, a year-and-a-half from now, Mr. Speaker, I want the First Minister to be man enough to stand up and say, "I cannot deliver the election promises that I made." Be man enough to tell the people of Manitoba that you've failed, because, Mr. Speaker, the First Minister will have a greater chance of electoral success some three years from now if he tells the people that he failed, that he took bad advice from the Minister of Energy and Mines, that he misled the people in the election. It would be better that he tell them that well in advance so that they might give him a second chance. But, Mr. Speaker, I know the Member for Selkirk much better than that; he will not be honest with the people of Manitoba; he wasn't honest as Leader of the Opposition, he consistently misled the people of Manitoba with such things as the Glenella Creamery in his literature and those kinds of statements. And so, Mr. Speaker, we don't expect him to come clean with Manitobans a year from now when his programs are dashed upon the rocks of, good heavens — expectations — that he has raised amongst Manitobans. —

(Interjection) I hope a little of it falls next summer — (Interjection) — I need, Mr. Speaker, to call upon the assistance of the Minister of Natural Resources. I have a water problem.

However, Mr. Speaker, we have a great deal of confidence on this side of the House that the Minister of Natural Resources will, indeed, develop a water conservation policy for all of Manitoba.

Mr. Speaker, to finish off on the First Minister who is now hiding his head, and I wonder is he intending to speak tonight. He seemed to miss his opportunity last night and I wondered if he intended to speak tonight because if he doesn't members on this side of the House will take up the space, if he so desires. Mr. Speaker, the people of Manitoba have expectations from this First Minister. We are expecting him, on this side of the house, to carry out his promise of preservation of the family farm. We want him to continue through the Manitoba Agricultural Credit Corporation to provide long-term loans to farm families in Manitoba. We even will support him when he brings in a renewed, realistic interest rate relief program for homeowners, farmers, and small businesses. We cannot support the program that he is putting before Manitobans now which is not what they expected.

So, Mr. Speaker, it will weigh heavier and heavier upon the shoulders of the Member for Selkirk, the failures in the frontbench and the personal failure that he will go through over the next year-and-a-half in trying to live up to the expectations that he raised amongst the Manitoba electorate. He will fail, and he will fail miserably, Mr. Speaker, and unfortunately we, on this side of the House, are going to help him fail by pointing out at every opportunity that we have available, Mr. Speaker, the expectations he raised, and when he breaks his promises and doesn't deliver for Manitobans the jobs, the interest rate relief, the rent control, the new opportunities for Manitobans, we will remind him of every single failure, and we will tell Manitobans that the Premier is a failure and that he misled them during the election. It will weigh exceedingly heavy on his shoulders. And Mr. Speaker, from past experience we are wondering on this side of the House whether the Member for Selkirk can stand that kind of pressure. We will find out, and we will also find out, Mr. Speaker, whether the Mister Nice Guy approach will work in his relations with the Federal Government, the new federalism he talks about. We will watch with a great deal of interest, Mr. Speaker, because one other Premier in Canada tried the Mister Nice Guy route with the present Prime Minister. He is the Premier from New Brunswick. He even supported that Constitution that every thinking member of parliament opposed, including members from the Quebec Liberal caucus. He supported it with the expectation that co-operative federalism was going to work and bring renewed benefits to the Province of New Brunswick. That renewed federalism that the First Minister so expects to bring a better financial arrangement and working arrangement with Ottawa will also fail, and, Mr. Speaker, that will weigh heavily on the First Minister's shoulders as well, because he has also raised expectations of Manitobans of a better co-operative arrangement with the Federal Government. He will fail in that regard also, Mr. Speaker, and we will take, as Her Majesty's Loyal Opposition

ought to do, the responsibility of telling Manitobans of each and every failure of the Member for Selkirk and the Premier of this province.

I thank you, Mr. Speaker.

**HON. HOWARD PAWLEY, Premier (Selkirk):** Mr. Speaker, first I wish to congratulate you as you commence your important responsibility, and to join with the Leader of the Opposition in offering to you, best wishes. The decorum in this Chamber symbolizes for many Manitobans the quality of the political climate in our province. I know that your faithful service to this Assembly since 1971 has prepared you well for the task that now confronts you, and I know that you will act evenhandedly and insure that the Rules of Procedure are indeed applied in order to preserve that decorum in this Chamber. In addition, your reputation for careful attention to the needs of your constituents in St. Vital will now even be a more significant model for others in this Chamber.

Mr. Speaker, this is an opportunity as well for me to congratulate the Lieutenant-Governor. She is proving herself to be distinguished and a popular representative of the monarchy. Her capable, her gracious and her enthusiastic execution of her duties is a source of pride to all Manitobans.

This is also an opportunity for me to compliment the Leader of the Opposition for the part that he played in an effective and orderly transfer of power after the recent election. As I and others on this side of the House know, election defeat is a bitter shock, even when that election defeat is expected. The Leader of the Opposition acted promptly and with dignity to make sure that the public's mandate was respected.

Finally, let me congratulate the 24 members who are new to this Legislature. Among them is one that was here in earlier years and whose return is most welcome, the Honourable Member for St. James. The Honourable Member for Rupertsland is also particularly welcome as the first Treaty Indian ever elected to this Legislature. Others have already mentioned in their speech the election of seven women in this Chamber. Mr. Speaker, Manitoba has moved from among the last of the list to the first of the list insofar as terms of proportion of women in the Legislature. Almost a third of the newly elected members in this Chamber are women. Yes, I think the Honourable Member for Gladstone was correct when she said the other day that 7 out of 57 members is not a particularly great record. Let us both, both major Parties, ensure that the next time even more women are elected to this Chamber, and who knows? Some day in the future a majority in this Chamber, indeed a majority within the Treasury Bench, may very well be women.

I have listened carefully, Mr. Speaker, to the inaugural speeches of the newly elected members on this side. It has confirmed my delight with the tremendous depth of talent, enthusiasm and dedication that the newly elected members are obviously going to demonstrate in their responsibilities and duties to the people of the Province of Manitoba. With each month more Manitobans will indeed, I am sure, be impressed with that kind of intelligent and thoughtful representation that they will be receiving. These men are doing the work in a highly uniformly, top-rank quality and they also reflect so well the cultural mosaic of Mani-

toba. In our province it's important for members of various ethnic groups, and people from many backgrounds, to be able to look at the government side of the Legislature and say, "yes, there is one that, indeed, is there that shares my experience and my background." The vast majority of Manitobans can say that today, Mr. Speaker, and I am proud of that. The Mover and the Seconder of the Address are newly elected MLA's who exemplify the fine qualities of their colleagues. They most certainly deserve the compliments received for beginning the debate on a high level, and I join with others in congratulating the Members for The Pas and for Burrows.

Mr. Speaker, I do not intend to spend much time discussing the comments that have been made by the members of the Opposition. I have listened to their comments, but I see not much point in responding to the comments because the voters of the Province of Manitoba demonstrate very well what they felt of their past performance.

Mr. Speaker, turning my attention to the Throne Speech I can't avoid remembering a comment that I made on April 15th of last year during the Budget Debate. I said then, Mr. Speaker, that it would require a great deal of energy and effort, a fresh approach, and new ideas to form a new government. I said, and perhaps I can even quote myself that, "We are going to have difficulty because there has been such a great deal of damage that has been done in the last three-and-a-half years to the economy of this province." Manitobans knew that was true on November 17th, they made their judgment and today we are in that difficult situation of which I spoke on April 15th of last year. A new Cabinet took office to find that many individuals and organizations wanted to talk to the newly appointed Ministers, that the spending estimates had been waiting for many weeks for ministerial review and that the economic forecasts were very gloomy. The recession and the disruption caused by narrow-minded, restrictive, right-wing administration in the United States, indeed, was making matters much worse not only in Canada but particularly, as well, in Manitoba.

It is as important for me to be frank and candid about the economic situation today in Manitoba as it was last April 15th. Manitoba is in the midst of fairly difficult times. We are facing the prospect of more hard times, and our economy has been seriously weakened by the program of acute, protracted restraints for the past four years. High interest rates are driving up prices, slowing down investment; in other words, making us pay more for less. It would have been easy for a new government with an election yet four years away to say that the cupboard was bare, the spending must be cut, and the promises will have to wait. Mr. Speaker, if we took that path it would have been a massive betrayal of the people of the Province of Manitoba.

Mr. Speaker, during the election campaign I spoke with hundreds of Manitobans about the province and its direction, and one that I recall particularly was an 88-year-old woman in Brandon who felt angry and helpless about an enormous rent increase. She expected the province to help her, protect her, from mercenary and unjustified rent increase. My colleagues and I met with farmers who had worked long

and hard, Mr. Speaker, in order to build up their livestock herds. They were losing money on every animal that was being shipped to the market and expected something more than sympathy from the province. We visited day care centres where devoted staff and parents were fighting with great difficulty, indeed a losing battle, with very limited budgets in order to deal with a growing demand for their services. Mr. Speaker, they wanted to be recognized for their important service to young children and to be supported to the fullest effort that was possible. I remember a small businessman in Benito who was preparing to close his shop and leave Manitoba, the combination of high interest rates, a declining provincial economy, the neglect of small towns, had made it impossible for him to support his family here. Mr. Speaker, We spoke with Northerners who wanted nothing more than the opportunity to have productive jobs in their community. Reasonable enough they looked to a Provincial Government to break the welfare cycle rather than encourage the welfare cycle. Members of our Caucus spoke with dozens of Manitobans whose families had been broken up when one spouse had to leave, move, in order to get a job. I talked with young people who wondered if there would be any future for them in Manitoba. They were despondent about the prospect of following others away from this province, the province they were born in, raised in, and they loved so very, very much.

Mr. Speaker, we did not promise these Manitobans a miracle or some overnight cure; however, we did set forth our commitments to programs that respond to needs. We expressed our basic confidence in Manitoba, and our desire to demonstrate that confidence through specific programs. It seemed to many people that in the last four years the self-confidence of our province had been shattered, shattered by a government that itself lacked confidence in Manitoba. Mr. Speaker, it is now time to start moving forward again.

I agree with the Leader of the Opposition when he stated that it was part of the mandate of this government to provide good government but every member on this side of the House realizes that fundamental to the principle of good government is honesty with the public. I do not pretend to know the exact details for implementation of every NDP commitment. However, this Throne Speech said loudly and clearly that our government intends to keep faith with Manitobans. The standard that we set is, indeed, a promise made is a promise kept. Some may very well say, Mr. Speaker, that it is naive or, indeed, dangerous to believe one's own promise. I say to them that our election program was a carefully prepared series of measures to start the work of economic reconstruction in our province and to maintain the quality of life and public services that Manitobans expect. It was a moderate program and it formed the basis for the Throne Speech. The Opposition has a duty to question and to criticize, but I serve notice today upon the Members of the Opposition that their arguments will have little weight against measures to which the New Democratic Party committed itself during the past election campaign.

In these first few months, the Government has begun to implement its mandate by applying several principles which are apparent in the Throne Speech:

1. We will try to limit the damage done by recession

and high interest rates so Manitobans can stop losing ground;

2. We are taking the first steps towards activating the public sector of the economy so our mixed economy can commence to work again;

3. We will use the province's limited fiscal capacity to maintain humane social services that Manitobans expect and are willing to pay for;

4. We will resume the process of review and reform in all areas of public interest to rejoin the mainstream effort to achieve better government in Canada;

5. We intend to be a voice of moderation and of common sense in federal-provincial relations.

The terrible economic erosion which had an early start in Manitoba is still very, very much with us. One incident which made that very clear was Shell Canada's decision to delay their new Brandon Refinery because of high interest rates. Bankruptcies continue to exceed all previous records. The unprecedented loss of population is being confirmed by the 1981 census. In this debate, I've heard arguments to the effect that we are not doing enough. Yes, I've heard those arguments to the effect that interest rates should not be lowered, and arguments based on the assumption that the province should do nothing to deal with the economic crisis that is undermining so many businesses and individuals and farms within our entire economy.

Our policy on this has been made very, very clear. There are a limited number of measures that a province can undertake and its means are limited; but within those limitations, there is an obligation for the Government of Manitoba to do all that it can in order to help the people of the province survive these times. That is why we promised and we have delivered the Manitoba Interest Rate Relief Program. It will direct funds to those in the greatest danger of being swept away by high interest rates and help them keep their home, their farm, their small business until better times.

In the absence of much needed federal action to help the beef industry, we'll be introducing the best support program that is possible within Manitoba's fiscal limitations. This has been a priority and it will be announced, let me assure honourable members across the way, in much less time than the year of hesitation that preceded the previous government's announcement of a hog support program. A failure to act would run the risk of permanent damage to an important part of the rural economy.

Protection of rural economy during the long cost price freeze is also government's major concern when it comes to the Crow rate. Agriculture is the backbone of our economy, for Winnipeg as well as centres like Neepawa and Beausejour. But all Manitobans will suffer if net farm incomes decline even more and many small farmers are forced out of agriculture altogether. I have great faith in the ability of Manitoba farmers to make up their own minds on the Crow, as long as they have all the facts before them. Therefore, the Minister of Highways and Transportation will soon be tabling research into the Crow-rate change, most of it which was done, indeed, for the previous administration. Our goal will be to foster full, open discussion that get these facts to the farmers of the Province.

These and other rural initiatives will be undertaken

because this government supports the hard-working, independent family farmers who built this province. They are the foundation of our rural communities and our rural towns and they are among those most threatened by high interest rates and high energy costs and by continuing recession. We will act to limit the damage and to give those who need it most, some room to breathe.

The same rationale lies behind rent control; the freezing or the limited increase of provincial user fees; increased incomes for those at the very bottom of the economic ladder, and more support for Senior Citizens. It is always those who are least able to support themselves that seem to be imposed with the greatest burden during difficult economic times. So, we have faced our obligation to help them and to do whatever is possible to avoid increasing the burden for Manitobans. A significant program of provincial construction and highway construction reflects the view that this would be one of the worst possible times to deepen the recession for Manitoba by cutting back.

And you can be sure, Mr. Speaker, that the reasons for these actions are much more than sympathy for the little guy. I do not think that Manitoba can afford to tie its hands behind its back and let its people and its economy suffer more reverses than those in wealthier provinces.

This province, however, is less able to take advantage of the prosperity today than, indeed, was the case back in 1977. A decline in the number of healthy businesses, the number of skilled workers and in purchasing power have hurt our ability to recover. The provincial action to support and protect Manitobans may be less than we would like, but it is a whole lot better than nothing at all.

The spirit which we recently saw in St. Pierre and in Riverton, that spirit, that sound economic judgment have shaped the first principle which this government is applying to its work. At the same time, Mr. Speaker, we have changed the provincial policy in interest rates. No longer does this government echo the thoughts of Messrs. Trudeau and MacEachan on fiscal and monetary policy. We will leave those arguments to the Member for Turtle Mountain.

This government stands for a policy of lower interest rates and a strong and independent Canadian economy. The price of some possible exchange rate losses would be well worth paying for, in the relief that lower interest rates would provide to Manitobans. Surely it is past time for Canada to show by its actions, that the economic madness practised in Washington has few friends here in Manitoba. The man and the woman on the street can see, and have said, that high interest rates just don't make sense. Let's hope that the Federal Government will soon agree. Measures to limit the damage done by recession and high interest rates are entirely defensive, Mr. Speaker.

Part of our mandate was the pledge to go forward and to activate the public sector. Sadly, after four years of failure, my honourable friends opposite still seem to think that an economic program consists entirely of pleas for private investment followed by desperate, last minute concessions in order to subsidize private ventures. We are committed, Mr. Speaker, to a different, to a more pragmatic path.

The Manitoba Oil and Gas Corporation will be

created so that the people of Manitoba can participate directly in the development of petroleum products. There will be a significant investment in the Manitoba Minerals Resources Limited and the Department of Crown Investments will permit greater co-ordination administration of investment by Crown corporations.

These are but the first steps. They reflect our understanding of why Manitoba has a mixed economy, and how that economy can be best strengthened. Provincial Governments of every stripe have increased the scope of the public sector in Canada, and in Manitoba, because very often activity of direct benefit to a province such as ours must be led by the public sector. Size and location mean that Manitoba will never be a significant centre of international capital. We are just not likely to rival New York or Zurich or even Toronto. The only people who can be relied upon to place Manitoba's interests first are Manitobans themselves, and that is why it is so crucial to maintain an active public sector. Should the Texan investors in Calgary Oil Company that is exploring in Manitoba decide to try their luck in Australia instead? Manoil will stay in Manitoba and perhaps, expand. At the rate of return from coal-fired power plants in Arizona is two points more than a hydro plant in the Nelson River, Manitoba Hydro will not shift its new investment to Arizona. As members opposite know, if no private company is willing to do the leg work for modernization of the ManFor facility, the Crown corporation itself can, and will, prepare plans for a feasible, joint venture, and it will work for suitable, private partners. Indeed, the level of economic activity which the public sector ensures, is an attraction for private investment. Private money is attracted by a bustling economy, and Manitoba has enjoyed a bustling economy only when its government believed in the province enough to invest in the province. I can very forcibly assure all honourable members that this government does believe in Manitoba, and this government intends to invest in Manitoba.

Our goals will be to strengthen the structure of the economy by making investments that best meet the Manitoba situation. The Manitoba Public Insurance Corporation, Manitoba Hydro, The Manitoba Telephone System, Mackenzie Seed, other Crown corporations provide much of the foundation of our economy. Public money spent on these corporations was invested and put to productive use. The same is true in other provinces where Social Credit, where Conservative, and the Parti Quebecois have invested in Crown Corporations. They want to ensure effective public participation in directing their economies. They saw no reason for the people of their province to rely solely on taxes, behind during the past four years for revenue from resources and from other key industries. It is a tragedy, Mr. Speaker, that Manitoba, with a well developed, mixed economy, fell behind during the past four years, the proportion of public investment in Canada. The planning and the commitment to resume that investment, particularly in the resource sector, exists, Mr. Speaker, within this government.

The foundations for productive Crown ownership are being prepared. At the same time, Mr. Speaker, this government realizes that public and private investment are complimentary and not contradictory. It is important for us to be aware of the views and

concerns of the business community. My ministers and I are meeting with large businesses and business organizations on a regular basis, so that we can better understand each other and can build upon our common road. The fixation of members opposite is such that they will look constantly at the public sector, but let them look also at decisions like ending the public monopoly on extension phones announced but yesterday by the Minister of Community Services. Interest rate relief, Main Street Manitoba, our programs designed specifically for small businesses, since those businesses provide a majority of the jobs in Manitoba.

It is very regrettable, Mr. Speaker, that the proportion of employees in small businesses have declined so sharply between the years 1976 and the year 1981 in Manitoba during the bulk of the time of the administration of the previous government. Many small businesses will benefit from the revitalized Critical Home Repair Program. It is clearly one of our policies that the Manitoba business community needs be considered in planning large or small projects. And when it comes to developing the economy of Manitoba, the only realistic alternative is one that we have welcomed — to regard the business community as a partner.

Our third principle is maintaining a decent and humane system of social services. It costs money, but a decline in these services is a cost also. If the quality of life and standard of living in Manitoba fall far below those of our neighbouring provinces, young people will leave in larger numbers. Manitoba will lose the potential it still possesses to quickly resume economic growth at or near the national level in the future. I sense little desire in Manitoba for much expansion of social services.

In the long term, this government must look at preventive health so that Manitobans' good health is maintained without very large cost increases. In the short term, we must pay to maintain a health system devoted mainly to curing. There is also room for innovation in education and in community services. But this year the government had some short-term decisions to make. Manitobans have said time and time again that they support a high standard of public services. They also know that in present circumstances we must borrow at high interest rates or increase taxes to maintain those standards. This government is pledged to preserving the cultural and the educational and the health and other systems that add up to a good quality of life.

Some small but very modest improvements will be made and a new emphasis is already apparent, Mr. Speaker. Native people, new Canadians and others who have been left on the sidelines are going to receive particular attention. Training that leads to a job will be emphasized because it is both a social service and vitally important to the economy. We want it to become evident through these services that in Manitoba everyone is viewed as an important member of society. We want this to remain a province where people like to live, to raise a family and to work. Manitoba is a province where young people want to live and that must continue to be the case, indeed, maintaining humane social services and underlining this government's commitment to economic and social justice are steps towards a Manitoba in which young people can again be attracted.

Time alone will tell if we can reach the goal of ensuring that the best quality of life, indeed, can be achieved in Manitoba — bar none. This government is not in the business of promising blue skies ahead. The long-term ability to maintain and improve public service depends upon the health of the economy and we recognize that quite well. Because we have no intention or desire to raise taxes to an uncompetitive level, and the outgoing government has pushed the deficit level very, very close to intolerable levels and, indeed, Mr. Speaker, let us ask ourselves what alternative is being heard from those who can already be heard talking about fat in government. You know after three months we hear those that are talking about fat in government and reckless spending. If there is much fat in government, Mr. Speaker, after the torture of acute protracting restraint under the previous administration, I hope that the former Ministers across the way will show us that fat.

If severe restraint is the road to a balanced Budget, why was the previous government unable to break even despite major increases that have taken place during the past four years in federal support? They couldn't break even. The Honourable Member for Inkster described it so very well the other evening, the constantly rising share of revenues received by the Province of Manitoba from the Federal Government and yet, Mr. Speaker, the previous administration couldn't break even. Mr. Speaker, we never pretended that we could break even, but the former administration did pretend that they could break even. That's why they were judged accordingly.

Indeed, if the neo-conservative solutions lead to low deficits as they might have us believe, what are we to make, Mr. Speaker, of the enormous deficit predicted for the United States of America under President Reagan? What are we to make of that? What is the explanation, Mr. Speaker, for Mrs. Thatcher's severe fiscal difficulties? Surely it is clear to say that any objective observer that the path that was taken in Manitoba from 1977 to 1981 just did not work.

We on this side do not pretend to be magicians. We claim, unlike some in the previous administration, no particular ability to produce a boom in Manitoba. Like others we too, will be watching during the next 18 months to see our programs start to effect the provincial economy, to see how Manitobans do by comparison with other provinces. These are new times that demand a practical approach. Experience will be our guide and the direction will be forward rather than back towards policies that were advocated in days long gone by. However, at this point, public service cutbacks are not on our agenda and, I hope — and I say hope, Mr. Speaker — they never need be.

The fourth principle which I mentioned, a resumed process of review and reform is evident throughout the Throne Speech and I am sure it was evident to the new members across the way that are, indeed, in this Chamber for the first time because they are here with a fresh perspective and with a frankness and I am sure they observed, indeed, that process of reform. The government of any province is acting like a dinosaur, if it thinks its laws and its programs do not need ongoing review and reform. Areas of provincial activity which are the leading edge of social progress have been neglected too much in recent years.

Multiculturalism, the Member for Ellice dealt with that very well the other day. Workplace health and safety, efforts to minimize the slaughter that is taking place in the workplace because of inadequate attention to the need for improved workplace safety and health laws and regulations in the province. Labour relations and reform therein, Native land claims and family law in order to ensure the removal of inequities that, indeed, should have been removed years ago in respect to our Family Law.

Freedom of information and, Mr. Speaker, how long has it been now, three, four years? The Member for Transcona can recall, I am sure, so well when a bill was I believe, Mr. Speaker, passed unanimously in this Chamber in respect to freedom of information, the Honourable Member for Sturgeon Creek's resolution. —(Interjection)— Well, then there was one dissenter; then by 56 members in this Chamber, freedom of information. We are going to proceed with that needed reform, Mr. Speaker.

Pension reforms, so long overdue. We will undertake the necessary reforms. Child care standards, and much has been said during the Throne Speech Debate in that regard, and the situation of beginning farmers in Manitoba. These areas and more will once again be evolving and changing with attitudes and with conditions. In program after program much of the government's efforts will be devoted to making up for lost time. Many of the reforms we will undertake, yes, Mr. Speaker, I admit will cost very little and will be very modest by way of expenditure but they do require political willpower and imagination.

Mr. Speaker, I can look around me and at my back bench and I am satisfied that there I see the imagination and the willpower and the commitment to ensure that these necessary reforms are carried through in the next four years.

Fifth, Mr. Speaker, by practising moderation in Federal-Provincial affairs, Manitoba can truly be the Keystone Province once again. We have been called the Daughter of Confederation, the middle Province, the centre Province. These names happen to reflect the traditional and widely supported approach of Manitoba in the Federal-Provincial forum. Like most Manitobans, our government has little taste for federal politicians who score some easy points by bashing provincial politicians; equally, provincial rights advocates who charge out to bash Ottawa.

The Canadian people know very well, Mr. Speaker, that they are represented by two levels of senior government and that the federal voters are identical to the same voters that vote in provincial elections. They have much more interest in sensible, in desirable and in responsible government programs than in the endless game of power politics that we have seen so much of in the past while in eleven capitals.

We see co-operative federalism as the best choice for Canada. We intend to urge that choice upon other governments instead of lowering Manitoba to the level of those who are spoiling for a fight. That certainly does not mean that we endorse every federal policy. In fact, Mr. Speaker, if you note on two basic issues this government has stood more solidly in the interests of Manitobans than indeed the previous administration that was always battling with Ottawa and I refer to the weak position by the previous administration with



respect to its position, in respect to interest rates, indeed its support of Trudeau, federal, monetary policy.

Secondly, Mr. Speaker, I refer to the betrayal that took place by the previous administration insofar as the Crow rate was concerned, not standing up forthrightly for the farmers of this province in respect to the Federal Government. So, Mr. Speaker, let it not be said that this is a government that is not prepared to do battle; that we are prepared to do battle when we are confronted with issues that of concern to the ordinary man and woman of Manitoba.

Mr. Speaker, what we do recognize is the increasing reliance of Manitoba Government upon Ottawa for its revenues, and again that was so well illustrated by the Member for Inkster the other evening, not to mention the growing federal share of health and education costs. Manitobans generally realize that Ottawa was picking up much more of the tab during the period of restraint and economic decline and that was pointed out on many occasions during the past several years in this Chamber. Manitobans also realize, Mr. Speaker, the difficulties that they are confronted with when Ottawa withdraws and cuts back in respect to fiscal transfer of payments to the provinces.

Mr. Speaker, if I could make a note aside here, it is rather ironic and I pointed it out to the Prime Minister, that as we are in the process — and we support indeed the provision in the Charter of Rights in this respect — provision that Charter of Rights that public services ought to be provided at a comparable level from one area of Canada to the next at comparable tax rates, we supported the enshrining of that provision in the Constitution.

But it is rather ironic, Mr. Speaker, that the very Prime Minister that defostered that provision is now undertaking efforts to undercut the very basis of that important provision in the Constitution to the effect, Mr. Speaker, and I regret this very much, that as matters stand now we are confronted with cutbacks that per capita in Manitoba exceed that of any other per capita cutback of any other province in Canada.

Mr. Speaker, let me make it very very clear at this stage, we do not intend to go to war with Ottawa and if it turns out that Ottawa is going to war with the provinces, we will make our case very very clear and very very forcibly for co-operative federalism and we'll take that case to the people of Manitoba and to other Canadians, because I can assure all honourable members that the Canadian people are sick to death of people who would rather scrap over jurisdiction than get on with the job that they were elected to do.

We are committed to co-operative federalism because any other course just does not work. The dollars and the cents in federal transfers are important; but even more important is unity and cohesion that Canada presently so desperately needs and that must indeed be a concern to each and every member of this Chamber.

Mr. Speaker, I think it is appropriate for a new government to be mindful of the heritage of this province, and reflecting upon that heritage is also appropriate in the International Year of the Elderly. We are reminded of the settlement of the prairies by its centennial celebrations in many rural towns and cities, municipalities this year; the City of Brandon, the

Town of Selkirk and other centres, including Virden, Gladstone, Killarney, Morden. Mr. Speaker, I note that not all these centres are hotbeds of the New Democratic Party, as well.

The important Indian and Metis tradition is honoured by the vast majority of Manitobans today. Indeed, it is a source of strength for Native people and for the entire province. The Manitoba spirit of co-operation in the face of difficulty is indeed a great attribute of our people.

The dedication, the hard work of the early pioneers has been matched by those who chose Canada and Manitoba during the last few decades. Ethnic and cultural diversity is accepted as a valuable part of friendly Manitoba. My political party has a proud heritage in this province. It provided leaders of national stature, such as J. S. Woodsworth. And with the creation of the Independent Labour Party established in Manitoba political tradition and philosophy which today, Mr. Speaker, enjoys wide-spread public support. And, Mr. Speaker, other political philosophies are as well an important part of the heritage of this province. That heritage is rich and unique. It can be and, Mr. Speaker, is a genuine source of inspiration for all Manitobans. The many distinguished and unique accomplishments of past generations are a source of hope and trust in future accomplishments.

Mr. Speaker, we are a new government which has commenced to take a very difficult and exciting road. We're guided by the principles which are evident in the Throne Speech, and by our desire to keep faith with Manitobans. We intend to provide good government and to so encourage excellence and initiative within the Civil Service so that, indeed, Mr. Speaker, this will come to be recognized throughout Canada as indeed the best government within Canada. Certainly, Manitobans deserve nothing less. This is a province that enjoys the potential of a great future. The economy is well balanced — its agriculture, its manufacturing base, its mining. Indeed, Mr. Speaker, it is the equal if not superior, of other provinces. And the men and women of Manitoba are indeed great people.

One sees in this Legislature on both sides, one whose ancestors came here many centuries ago, and those whose forbears pioneered and, indeed, those that are new Canadians. There's a dedication, there's a rich diversity, a diversity of cultures and experiences that can result in greater and greater creativity and responsible representation. We are in an age of lowered expectation, true enough. All the same, my colleagues and I have aimed high and I do not apologize that we have aimed high, Mr. Speaker, because we share the desire of Manitobans for this province to slowly start moving forward again, to invite men and women from all parts of this province to work with us, to share with us the commitments and the dedication to again work ahead and forward with us in the years that lie ahead. Since, Mr. Speaker, it is only by working together and sharing together and co-operating together in the Manitoba spirit, the spirit that this province is so well recognized for, that this province indeed can achieve the many great things in the years that lie ahead of us.

And I'm so pleased, Mr. Speaker, that on this side we have members that indeed, are not cynics, members indeed, that are not pessimists, members that indeed,

are not negative, but members that have hope, expectation, trust and confidence in the future of this province. Mr. Speaker, it is that drive, it is that determination, it is that commitment to the development of economic and social strategy, it is that desire for openness in government, it is that commitment to the improved participation of men and women throughout the length and breadth of this province, whether it be from the north, whether it be from the south, the west or the east, whether it be from whatever background, Mr. Speaker, that will contribute to this being a stronger and stronger province in the years that lie ahead.

Mr. Speaker, this has been for me a very, very important occasion in this, the Throne Speech to mark the beginning of a new era in Manitoba politics, and to share with members across the way and members on this side, those hopes and those expectations and those plans that we have for a better Manitoba. It is with that, Mr. Speaker, and in meeting those challenges that lie ahead, and I know that there will be difficult times and I know, indeed, that there will be times when we will err; I know there will be times when we will appear to have been less than wise and I expect that, Mr. Speaker, but we will admit on those occasions, Mr. Speaker, because we will not, indeed, be oblivious to the concerns and the needs of our fellow citizens in this province. Mr. Speaker, I commend this Throne Speech to all Members of this Chamber and call upon all Members of this Chamber to support this Throne Speech. I may be naive, Mr. Speaker, but I believe that there are, indeed, some members across the way that have a burn in their hearts to join with us in supporting this Throne Speech, because, I know, Mr. Speaker, that they look forward with us and share with us and share with us the desire of four years of achievement in Manitoba.

**MR. SPEAKER:** Order please, order please. In accordance with our Rule 35(4), I am interrupting the debate to put the question on the Main Motion.

The question before the House, moved by the Honourable Member for The Pas, is for an Address to Her Honour the Lieutenant-Governor in answer to Her Speech at the Opening of the Session.

**QUESTION put, MOTION carried. MESSAGE**

**MR. SPEAKER:** The Honourable Minister of Finance.

**HON. VICTOR SCHROEDER, Minister of Finance (Rossmere):** Thank you, Mr. Speaker, I have two messages from the Honourable the Administrator of the Government of the Province of Manitoba.

**MR. SPEAKER:** The Honourable the Administrator of the Government of the Province of Manitoba, transmits to the Legislative Assembly of Manitoba, Estimates of sums required for the services of the Province for the fiscal year ending the 31st of March 1983, and recommends these Estimates to the Legislative Assembly.

The Honourable the Administrator of the Government of the Province of Manitoba, transmits to the Legislative Assembly of Manitoba, Estimates of sums required for the service of the Province for Capital

Expenditures, and recommends these Estimates to the Legislative Assembly.

The Honourable Minister of Finance.

**MR. SCHROEDER:** I move, seconded by the Honourable Attorney-General that the said messages together with the Estimates accompanying the same be referred to the Committee of Supply.

**MOTION presented and carried.**

**MR. SCHROEDER:** Mr. Speaker, while copies of the Estimate are being distributed, I would ask leave of the House to make a brief statement.

**MR. SPEAKER:** The Honourable Minister.

**MR. SCHROEDER:** At the opening of this Session, the Speech from the Throne emphasized that our new government's Estimates will reflect a clear commitment to an active and responsible role by the public sector, not only in alleviating current hardships and injustices, but also in contributing as much as possible to improving the quality of life and equality of opportunity for all Manitobans.

Mr. Speaker, we on this side of the House see government as a positive instrument for progress and reform, and we firmly believe that the majority of Manitobans share that view. Through their government, the people of Manitoba have developed, and in some cases, have pioneered in establishing a range of quality public services in which our province can take great pride. Unfortunately, in recent years the quality of some of those essential services has deteriorated or has been threatened, while needed improvements have been deferred or simply rejected outright. Too often, arbitrary and excessive restraint policies have created costs far in excess of any short-term savings, while erratic year-to-year funding levels played havoc with orderly program planning and delivering. Our new governments' expenditure plan for the fiscal year beginning April 1, 1982 represents a start toward reversing that trend, toward rebuilding those services which have been damaged, and toward restoring a governmental structure which is sensitive and responsive to the needs of the citizens of Manitoba. It signals a reaffirmation of the important role we believe the public sector can and must play in stimulating economic activity and encouraging new development, increased employment and better incomes throughout Manitoba.

At the same time, we must emphasize that these Estimates are in many respects transitional in nature, reflecting much of the basic organizational structure we inherited from our predecessors as well as the priorities and programs which the former government regarded as appropriate. In a number of cases we agree with those priorities and support the programs which are consistent with them. In others, we have made improvements and refinement where possible, recognizing that we may well wish to propose much more far-reaching changes in future years, after we have had adequate time for a thorough review of all existing programs. This year there simply wasn't time for an in-depth analysis of every department's activities; in fact, a major portion of the Estimates review had

to be compressed just into a little over a month, less than a quarter of the time usually allocated to the process. But these Estimates can be described as transitional for another obvious reason as well. They were completed at a time of major budgetary uncertainty arising out of the fiscal arrangements negotiations. Faced with the threat of a severe cutback in transfer payments by the Federal Government, we simply could not consider major undertakings involving new long-term obligations.

It is recognized that Manitoba may be the province which is hardest hit by the federal cutbacks even with the addition of special temporary adjustments in the first few years of the new arrangements. We believe the federal cutbacks are totally unjustified, as the members opposite have pointed out and as we have, they may serve to reduce federal expenditure growth and, thus the federal deficit, but in so doing they simply add to the pressures on provincial and local governments, without any net benefit to the taxpayers.

While the cutbacks are not acceptable, they were by no means a surprise. There is little doubt that the actions of some Provincial Governments, including the former government in this province, played a part and were probably a significant factor in setting the stage for the cuts we face. In calling incessantly for a large-scale reduction in the federal deficit and reduced federal intrusions, so-called, in various provincial program fields the members opposite helped provide a rationale for the cutback legislation which appears soon to be introduced in parliament.

Mr. Speaker, we have made it clear that we believe the Federal Government, through its spending power, must play a key role in ensuring that all provinces have the financial capacity to provide their citizens with a high standard of public services. In fact, the equalization provision in the constitutional resolution gives it that responsibility, and we are quite prepared to see to it that Ottawa gets full and proper credit for the expenditures it undertakes for that purpose. For our part, we have emphasized our commitment to assign adequate provincial resources to ensure the maintenance and improvement of key programs which are jointly funded, such as those in the fields of health, social services and post-secondary education.

Of course, federal transfer payments were not the only area of uncertainty affecting the preparation of the Estimates. Along with all other governments across the country, we also continue to face uncertainties with respect to both revenue growth and expenditure obligations, as a result of the national economic situation; continuing high interest rates and less than favourable prospects for the Canadian economy in the short term. And even where some of that uncertainty has been removed, in the case of energy prices for example, we must meet major increases in costs, particularly in such departments as Highways and Transportation and Government Services.

Mr. Speaker, the main Estimates for the 1982-83 fiscal year total \$2,783,713,900.00. For those who are most concerned about percentages, I can advise that this total represents an increase of about 14.4 percent over the most recent forecast of expenditures in the 1981-82 fiscal year. That is the revised forecast included in the third quarter financial statement issued

a few weeks ago. The percentage on an Estimates-to-Estimates or print-over-print basis is 16.9 percent. To place these percentages in context, I should note that total expenditures in the current fiscal year, ending March 31 are now forecast to increase by about 18.2 percent over the total in 1980-81. Of course, that was an election year. This is up slightly from the 17.4-percent increase forecast by the members opposite in the second quarter financial statement they issued just as they left office. The actual increase was 11.2 percent in the previous year, that is, between '79-80 and 1980-81; while the year before that, between '78 and '79 and '79-80, the percentage was 13.9. As usual, members will be provided with detailed explanations of the individual departments' Estimates in Committee of Supply. I will simply touch on the highlights now.

Improved Health Care Services will account for nearly half or about 188.1 million out of the 402.7 million increase between the total voted authority for '81-82 and the proposed Estimate for '82-83. This represents a growth rate for Health of about 26 percent on a print-over-print basis, although the percentage is smaller, about 19 percent when 1981-'82 Special Warrants are added to that base. It should be noted, of course, that a significant portion of the increase relates to cost factors which are largely beyond provincial control. At over \$900 million, the expenditures of the Department of Health, including the Manitoba Health Services Commission, now account for almost one-third of total provincial expenditures.

For Education, the increase for '82-83 is approximately \$65 million or 13 percent, bringing the total to almost 570 million. This total includes provision for all of the improvements in public-school financing announced by the Minister of Education last week and today, with the exception of the \$2 million special grant to be provided to Winnipeg School Division No. 1. In addition, there is an approximate 15.7-percent increase in funding for the university's Grants Commission, which will include an amount to make possible the freeze in tuition fees announced in the Speech from the Throne.

A \$26-million or 12-percent increase in expenditures by the Department of Community Services and Corrections will provide for the improved levels of Social Assistance which took effect at the beginning of the calendar year, along with a number of improvements in Social Services. The departmental expenditure total will be about \$250 million.

The re-establishment of the Department of Urban Affairs will require an increase in expenditure authority of about \$13 million or 31 percent, partly to finance a 16.5-percent increase in grants to the City of Winnipeg which, as has already been announced, will help the City freeze transit fares for the coming year. The Urban Affairs Estimates also include 8.3 million out of a 10.3-million total authorization to cover projected expenditures in the coming year under the Core Area Agreement with the Government of Canada and the City of Winnipeg.

For the Department of Economic Development and Tourism, the requested increase is about 8 percent or approximately \$2 million, bringing the departmental total to just over \$24 million. Additional funding for

that department and for others which deliver various economic development programs under agreements with the former Federal Department of Regional Economic Expansion is also provided under the Canada Manitoba Enabling Vote. This year, the Enabling Vote at 11.4 million is somewhat lower than it was in '81-82, primarily reflecting the uncertainties which continued to surround the negotiation of a new Northern Development Agreement.

Overall funding for Northern Affairs Environment and Workplace Safety and Health is set at about 35.5 million. This total includes a reduction in the request for funding for programming under the Northern Development Agreement. The total request for the Northern Agreement for '82-83 in the Northern Affairs Vote and the Enabling Vote is 22.3 million, compared to a total of 28.3 million in '81-82 Estimates.

For Agriculture, the overall increase will also be about 8 percent or \$3 million, partly reflecting the reduction of over \$2 million in the requirement for the Income Insurance Fund. Without that adjustment, the basic growth rate for the rest of the Department of Agriculture is about 14 percent. The total expenditures of the department are forecast to be in excess of 42 million.

In addition, I should note that the Government will be requesting Capital Authority, by way of Capital Estimates. I will also be tabling tonight for \$26 million for the Manitoba Agricultural Credit Corporation.

As Minister of Labour and Manpower, I note that expenditures for that department are forecast to increase by around \$2 million, or 12 percent, to about \$17 million.

The expenditures of the Department of Highways and Transportation are forecast to increase by about 15 percent, or \$25 million, to just under \$200 million.

The new Ministry of Crown Investments is being provided with an initial authority of just over half a million dollars.

Finally, I would draw members attention to a new appropriation of \$10 million for Emergency Interest Rate Relief. That amount represents our current estimate of the portion of the costs expected to be incurred in 1982-83 for the grant portions of the Special Interest Rate Assistance Programs for homeowners, farmers and small business people which have already been announced. This total is by no means a ceiling and can be supplemented with additional authority later in the year, if need be.

The Capital Estimates I will table later provide for a further \$9 million for Emergency Interest Rate Relief.

Following are some other general points which I believe will be of interest to members. The statutory provision for public debt charges in 1982-83 is estimated at around \$127 million, up about \$32 million, or 34 percent from the previous year. At the same time, the cost of the Hydro Rate Stabilization Program is substantially lower than last year; some \$6.8 million compared to an estimate of \$35.8 million in 1981-82. Those amounts are statutory as well.

Last year provision was made in individual departmental estimates for an already agreed to general salary increase for provincial employees. This year, pending the outcome of negotiations with the MGEA, we have returned to the usual practise of providing an contingency allowance, in this case of \$10 million, in a

separate appropriation for general salary increases. The number of staff positions or person years provided for in the Estimates is just under \$17,600, an increase of about 3 percent or 450 from the currently authorized total establishment. In total, approximately \$251 million, or 9 percent of the expenditure total, is for the Acquisition and Construction of Physical Assets; that is, in simple terms, for Capital Expenditures. This total is based on the same definition used under the previous administration.

When they were in office the members opposite occasionally emphasized, and we agreed, that expenditures which produced tangible assets of lasting value should be looked upon somewhat differently from ordinary operating or current expenditures, especially in connection with any evaluation of how they are financed. While continuing to use the combined current and capital presentation for the estimates, we believe there should be a clearer distinction between the two categories of expenditures.

Before concluding my remarks on the Estimates, I wish to commend my colleagues on the Treasury Board, and particularly, the Attorney-General who has served most ably and conscientiously as our Chairman, and the many hard hours of work in preparation of these Estimates. Thank you very much.

On behalf of all of the members of Treasury Board I want to thank our other Cabinet colleagues as well for their assistance and unflinching co-operation in this shortened Estimates Review period. In addition I would like to express the appreciation of the entire Cabinet to the great many staff involved in the Estimates process. Their advice and support have been extremely helpful and are reflected throughout the Estimates now before the House. Mr. Speaker, I look forward to further discussion of the Estimates in Committee of Supply.

I would also ask leave, Mr. Speaker, to make a brief statement introducing the Capital Estimates this evening; I have copies as well. Mr. Speaker, these Estimates only make provision for urgent Capital Authority requirements beginning April 1st of the new fiscal year. The normal omnibus Capital Estimates will be tabled later in the Session. These requirements are needed immediately to provide for the loan portion of the Emergency Interest Rate Relief Program, while the balance is required to supplement inadequate provisions authorized in the 1981-82 Loan Act. Loan guarantee authority of \$5 million is being requested at this time for the Hog Income Insurance Program to provide support for the loan portion of the program announced by the previous administration. As members opposite are already aware, this Authority should have been authorized during the past fiscal year. In addition, \$26 million is required by the Manitoba Agriculture Credit Corporation in order for them to continue to provide loans to the farm community.

Without this immediate authorization of Capital Authority the Manitoba Agriculture Corporation would be unable to continue to provide loans. These Estimates also provide \$2.8 million required to maintain the province's interest in the Trout Lake Mine which is being developed near Flin Flon.

Before closing I would like to restate that this is the first of two sets of Capital Estimates to be presented to the Legislature. Due to the urgent nature of these

requirements it is important that they be approved prior to April 1st, 1982.

Mr. Speaker, I move, seconded by the Honourable Attorney-General, that this House will, at its next sitting, resolve itself into a Committee to consider of the Supply to be Granted to Her Majesty.

**MOTION presented and carried.**

**MR. SPEAKER:** The Honourable Member for Turtle Mountain.

**MR. RANSOM:** Mr. Speaker, I move, seconded by the Member for Lakeside that debate be adjourned.

**MOTION presented and carried.**

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. SCHROEDER:** I move, seconded by the Honourable Attorney-General that this House will, at its next sitting, resolve itself into a Committee to consider of the Ways and Means of raising of the Supply to be granted to Her Majesty.

**MOTION presented and carried.**

**MR. SPEAKER:** The Honourable Member for Turtle Mountain.

**MR. RANSOM:** Mr. Speaker, I move, seconded by the Honourable Member for Arthur that the debate be adjourned.

**MOTION presented and carried.**

**MR. SPEAKER:** Does the Honourable House Leader wish to indicate to the House what the House's work will be for the remainder of the week?

**MR. PENNER:** Yes, Mr. Speaker. Tomorrow I will be making an announcement in terms of the Division into the Committee of Supply to be in the House and Committee outside of the House, that will be the Estimates being discussed in the respective split committees; and I will be introducing for Second Reading two or three of the Bills that are on the Order Paper for tomorrow. I don't expect that they will take very long in introduction.

**MR. RANSOM:** Mr. Speaker, I wonder if the Government House Leader might be able to indicate now which departments will be first up for review.

**MR. PENNER:** I am doing it a little bit by memory. I have previously conferred with the Honourable House Leader for the Opposition. In the Committee outside of the House we will be starting with Natural Resources and the Committee in the House will be starting with the Community Services and Corrections. At least that gives us an idea. We will be distributing to the Members of the House and announcing in the House tomorrow the successive Estimates to be received and considered.

Mr. Speaker, I move that we now adjourn, seconded by the Honourable Minister of Labour.

**MOTION presented and carried** and the House adjourned and stands adjourned until 2:00 p.m. tomorrow (Wednesday)