

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 12 March, 1982

Time — 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. D. James Walding (St. Vital): Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. JERRY T. STORIE (Flin Flon): Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the Honourable Member for Wolseley that the report of the Committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Finance.

HON. VIC SCHROEDER (Rossmere): Thank you, Mr. Speaker. I'd like to table the Annual Report of the Civil Service Commission for the year 1981; and also, pursuant to Section 47(3) of the Civil Service Superannuation Act, I'd like to table copies of the Actuarial Report of the Civil Service Superannuation Fund as at December 31, 1981; and pursuant to Section 9(3) of the Public Servants Insurance Act, I'd like to table the Actuarial Report on the Public Service Group Insurance Fund as at December 31, 1979.

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. MURIEL SMITH (Osborne): Mr. Speaker, I'd like to table the Report of the Horse Racing Commission for 1981.

MR. SPEAKER: The Honourable Minister of Community Services.

HON. LEONARD S. EVANS (Brandon East): Mr. Speaker, I have a statement to make and I have copies of my statement for the Honourable Members of the House.

Mr. Speaker, I wish to make a statement concerning the Child Welfare placement of Manitoba's Indian children and to outline for this House the steps that will be taken to resolve this issue.

Although it is not my intent to outline the full nature and scope of the Child Welfare System at this juncture, I can advise the House the details of the adoption procedure are outlined in an attachment to my statement which will assist honourable members in placing the current Indian Child Welfare issues into an

understandable context.

While several provinces do have policies prohibiting out-of-province adoption placements, Mr. Speaker, Manitoba is not the only province or territory in Canada which places children outside its border for permanent or temporary care placement. And I might also add, Mr. Speaker, that it is not only Indian children that have been placed outside of Manitoba's borders in the past; it's people of all backgrounds.

In the calendar year 1981, 406 Manitoba children were placed in adoption homes. Of this total, 301 children, almost three-quarters were adopted families; into 47 children were adopted by parents in other Canadian provinces; 58 were adopted by families in the United States. Because Manitoba has one of the highest per capita Native populations in Canada, including large numbers of Native people in transition from rural to urban areas, a significant portion of the Child Welfare system is directed to services provided to Native children and families. Of the 2,275 children presently in Care, 547 boys and girls are children of Treaty status parents. Of this total, 404 are being cared for by foster parents, 90 in groups homes, 15 in institutions and 58 in other settings.

As this House is aware the province has been successful in effecting an agreement whereby child welfare services to Indian children would be provided by Indian people themselves. This historical initiative was finalized last month in the signing of the Canada-Manitoba Indian Child Welfare Agreement and efforts are under way to effect subsidiary agreements with Manitoba's Indian Bands and Tribal Councils which will delegate Indian Child Welfare Services to Indian groups.

In addition, under special arrangement with the Dakota-Ojibway Tribal Council, the Dakota-Ojibway Child and Family Services Agency has assumed responsibility for child welfare programs to its members. With the co-operation and commitment of Manitoba's Indian community this province is gradually establishing a model system for Indian child welfare service delivery.

Concerning the current issue of the international adoption of Manitoba's Indian children, Mr. Speaker, I wish to present to this House an indication of the steps we are prepared to take to resolve the Indian communities' concerns. In the calendar year 1981, 57 Indian children were adopted by parents living outside of Manitoba; 20 of the children were placed in Canada and 37 were adopted by American parents; 43 of the children belonged to brother and sister groups and the remaining 14 were adopted individually. These out-of-province adoptions were authorized when no permanent adoption homes could be located in this province, and because in the majority of cases, the adopting parents were willing to welcome brother and sister groups and children with physical and mental handicaps into their homes.

As a direct result of the recent concerns expressed by the Indian community regarding out-of-province adoption placement of Indian children, we have authorized a moratorium on the adoption of Indian children outside of Manitoba's borders as announced by

the Premier last week. All such activities have been suspended with the exception of procedures involving seven Indian children whose adoptions in other provinces and the United States were in process or nearing completion. In these cases we deemed it in the children's best interest that the adoptions proceed.

I'm pleased to announce, Mr. Speaker, that His Senior Honour, Judge E.C. Kimelman, of the Provincial Judges Court, Family Division, has agreed to Chair a committee to review this general issue. I'll be inviting representation to the Review Committee from the Federal Department of Indian Affairs, various Indian organizations, Children's Aid Societies and my own department. Other groups will be invited to serve in an advisory capacity to the Review Committee.

Committee's terms of reference will be:

1. to determine problems inherent in current placement procedures for Indian children with special emphasis on adoption and foster home placement;
2. to develop guidelines for adoption and foster home placement procedures involving Indian children which can be instituted through the child welfare system and which will recognize the special cultural needs of the Indian community; and
3. to prepare a proposal for my consideration, to promote awareness of the need for Indian adoptive and foster parents, and to encourage Indian families to offer their homes as placement resources.

In addition, Mr. Speaker, I'll be guided by the Committee's deliberations in determining further parameters of reference bearing on the general issue. Mr. Speaker, it's my belief that through co-operative efforts these initiatives will serve to improve the services provided by the child welfare system and I'm confident that we can work with the Indian community to resolve its concerns and seek out and identify permanent homes in Manitoba, not only for 547 Indian children presently in care, but for all Indian children coming to care in the future.

I wish to commend the Indian people of the province for their concern for their children and assure them of our intent to co-operate fully in strengthening and maintaining the bonds of their rich culture.

MR. SHERMAN: Mr. Speaker, I wish, on behalf of the loyal Opposition, to thank the Honourable Minister for his statement and for his elaboration on the circumstances that form the background to the steps that he has announced today and to the current issue, which is central here to the statement he has made. I want to assure him that members on this side of the House share with him, and with the government I'm sure, the fundamental concern for the welfare of the children who need homes and need parenting and need the environment of families for the betterment of their own development. We would regret any impediments being placed in the way of successful placement of children, whether Native or non-Native, in homes that would be conducive to their care and upbringing.

When the issue first arose there was concern expressed over the procedure that was publicized involving placement services available through an agency in the State of Louisiana. Certainly all of us recognize the concerns that were expressed by the Manitoba Indian community and Native community

with respect to the children who are members of their ethnic community, but also there was concern for those prospective adoptive parents in Manitoba who are waiting in line to receive children into their arms and into their homes. At that point we expressed, some of us, certainly I did, a concern that the First Minister and the government should look at the problem, investigate the reports of the circumstances emanating from Louisiana and ensure that nobody was being shortchanged in this arrangement, neither the children nor the Indian community of Manitoba, nor the prospective adoptive parents waiting here for children.

I'm pleased that the First Minister and the government have seen fit to investigate this situation and I think that the appointment of Judge Kimelman to head that investigation is a wise and prudent choice. We would have one caveat, Mr. Speaker, and that is that the moratorium be very brief and that the study be carried out expeditiously and that it take as much time as is necessary to arrive at the proper conclusions without impeding the placement of children. I don't think it's necessary to maintain a moratorium as long as there's a study being carried out. There are children who need homes; homes for them have not, in the past, in some cases been available in Manitoba, and if they can be placed in proper environments elsewhere then it's in their best interests to do so. We simply must be sure that nobody, as I say, is being shortchanged in that arrangement, so I would hope the government would have a serious look at the matter of the moratorium.

Now that the subject has been placed on the table in front of Judge Kimelman for study, the public, the Indian community, the adoptive parents, have been reassured that it's an issue that's being studied and that there are going to be no abuses, I think that a suspension of placements for such children should not be prolonged and the moratorium should be as brief as possible. Thank you.

MR. SPEAKER: Notices of Motions . . .

INTRODUCTION OF BILLS

HON. SAMUEL USKIW (Lac Du Bonnet) introduced Bill No. 11, an Act to amend the Highways Department Act.

HON. ROLAND PENNER (Fort Rouge) introduced Bill No. 15, an Act to amend the Marital Property Act; and Bill No. 16, an Act to amend the Fatal Inquiries Act.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. STERLING LYON (Charleswood): Mr. Speaker, I have a question for the Minister of Energy and Mines. Can the Minister confirm that he, and I presume his negotiating team, will be meeting with the Ministers of Alberta and the Ministers of Saskatchewan some time next week concerning negotiations on the Western Inter-Tie or Western Power Grid?

MR. CHAIRMAN: The Honourable Minister of Energy and Mines.

HON. WILSON PARASIUK (Transcona): Yes, Mr. Speaker. Through you to the Leader of the Opposition, we will be meeting on Monday to further discussions on the negotiations on the Western Inter-Tie.

MR. LYON: Mr. Speaker, can we presume that the negotiating team the Minister will have accompanying him, will be the men whose names he gave to us on a previous occasion, namely the Chief Executive Officer of Manitoba Hydro, the former Deputy Minister of Mines, now the Deputy Minister of Crown Investments, the present Deputy Minister of Mines and Energy, and the Chairman of Manitoba Hydro?

MR. PARASIUK: The negotiating team consists of the Chief Executive Officer of Manitoba Hydro, the Deputy Minister of Crown Investments, the Deputy Minister of Energy and Mines; that is a three-person negotiating team. The Chairman of Hydro is not a member of the negotiating team.

MR. LYON: Mr. Speaker, could the Minister tell us how many meetings of officials have taken place since the 30th of November, to his knowledge, on this topic.

MR. PARASIUK: There has been one major meeting of officials, there have been a number of exchanges between the officials, over the course of the last two months.

MR. LYON: Mr. Speaker, I wonder if the Minister would confirm a report coming from Saskatchewan, attributed to Mr. Robert Moncour, Chairman of Sask Power, to the effect that he had rated the success of these negotiations at 75 percent under the previous Government of Manitoba, but as a result of the recent meeting of officials he was rating the success of negotiations under the present Government of Manitoba at about 40 percent.

MR. PARASIUK: Mr. Speaker, I can neither confirm or deny that, I haven't seen the article, and I haven't heard from Mr. Moncour, in any way, shape, or form in that respect. Secondly, Mr. Speaker, I think that I would expect that it would be the Ministers who'd be making statements to that affect in the other provinces.

MR. LYON: Mr. Speaker, will the Minister of Mines and Energy confirm to the House and to the people of Manitoba, that he will attempt to brighten this situation somewhat at the meeting he's going to hold on Monday, in order that these reports are not emanating from other partners with whom he is negotiating, it appearing that, if the statement be true, Manitoba's chances of completing this vast Inter-Tie, which is of great importance to us and to the nation, have apparently depreciated about 35 percent in the eyes of one of the partners since the present government came to office.

MR. PARASIUK: The points that we raised with the other two provinces that we wanted a fair and equita-

ble sharing of benefits and uncertainties over a 35-year agreement. We felt that was a fair position to take, Mr. Speaker because we don't want the people of Manitoba in any way, shape or form subsidizing consumers in Saskatchewan and Alberta. We felt that was a reasonable position to take.

Now, Mr. Speaker, if in putting forward that position, mainly fair and equitable sharing of benefit and uncertainty, if that somehow has been a stronger position on behalf of the people of Manitoba than was put forward by the previous administration, I don't apologize for it Mr. Speaker, I think it is very important in negotiating a 35-year agreement, that there be a fair sharing of uncertainty and a fair sharing of benefits especially so that Manitoba is not in a position of subsidizing Saskatchewan and Alberta.

Mr. Speaker, we have put that forward, we are discussing the interim agreement that was agreed to by officials of the previous administration and by a Minister of the previous administration, that may in fact, have created some difficulties for Manitobans into the future. We are trying to tighten that up, Mr. Speaker. We feel that's important for the future generations of Manitobans, not people four years from now but people who will be using Manitoba Hydro 20 years from now, 30 years from now, Mr. Speaker.

MR. SPEAKER: Does the honourable member have a point of order?

Honourable Member for Ellice.

MR. BRIAN CORRIN (Ellice): Yes, Mr. Speaker, on a point of order the Honourable Leader of the Opposition has, in addressing a question to the Minister of Mines and Energy, referred to a statement which I presume is public in the sense that it's documented, of one, Mr. Joseph Moncour, of the Province of Saskatchewan.

I would ask you to rule on whether or not this statement should be placed before Members of the House, in order that they be availed of the opportunity to share with the Leader of the Opposition the full context and content of the statement made by Mr. Moncour. He has referred to certain statistics, he has referred to certain data that Moncour was said to express and relate. We on this side, Mr. Speaker, feel that that should be shared with all Members of the House. Could you make a ruling and have that material tabled, Mr. Speaker?

MR. SPEAKER: I believe that there is, if not a rule, a certain parliamentary understanding that a member is responsible for information used in a question that is put forward. If the Honourable Leader of the Opposition is quoting from a document, he may wish to table that or make it at least available to the honourable member raising the point.

The Honourable Leader of the Opposition.

MR. LYON: Mr. Speaker, while not acknowledging the honourable member has any point at all, the thrust of my question was whether the Minister could confirm that statement, that report which has reached Manitoba is the case. When a paper copy of it reaches my hands, I will be delighted to give it to the Minister of Mines, who I never thought needed any help from

the Honourable Member for Ellice before. If he needs help from Ellice, he is really in trouble.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. BILL URUSKI (Flin Flon): Yes, Mr. Speaker, yesterday afternoon during question period the Honourable Member for Roblin-Russell raised a question of a shortage of water in the town of Gilbert Plains and that there would be no water in the community by Monday.

Mr. Speaker, I have received a report from my department to indicate to the member and the people Gilbert Plains that staff from the Manitoba Water Services Board are monitoring the water supply situation and at the moment the supply is holding in the town and the town's reservoir is full. The Water Services Board have a pump standing by as well as water trucks to haul and pump water to augment the water supply for Gilbert Plains should the need arise. The Water Services Board will take whatever steps are necessary to ensure that the residents of the town of Gilbert Plains will receive their basic water requirements.

I should mention, Mr. Speaker, that a similar situation emerged in Ste. Rose du Lac earlier this year, and the government authorized the Water Services Board to establish an emergency water hauling program to ensure that the town of Ste. Rose would have adequate water supplies. Mind you, to date the emergency water hauling service has not been required since warmer weather has assured an adequate supply from their dam.

As well, Mr. Speaker, the member in his note to myself indicated he was advised that the Water Services Board had instructed the town of Gilbert Plains to cut off the supply of water to the farmers in the area. I should mention that authority is not under the Water Services Board; that authority would be under the village or the Town of Gilbert Plains to make that determination. But I am advised that the supply of water in Gilbert Plains, the reservoir is full and we are monitoring it and we will attempt in every way that adequate supplies of water are there for that community and the residents there around.

MR. SPEAKER: The Honourable Member for Roblin-Russell.

MR. J. WALLY MCKENZIE (Roblin-Russell): Mr. Speaker, I thank the Honourable Minister for that statement.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. A. BRIAN RANSOM (Turtle Mountain): On a point of order, Mr. Speaker, I must ask you to draw to the attention of the Member for Thompson that he is not properly attired for occasions when the Speaker is in the Chair.

MR. SPEAKER: I thank the Honourable Member for Turtle Mountain for bringing that to the attention of the House and I am sure that the member involved will

take the necessary steps to correct it.

The Honourable Member for St. Norbert.

MR. STEVE ASHTON (Thompson): This is formal in Thompson.

MR. G.W.J. (Gerry) MERCIER: Mr. Speaker, to the Minister of Labour: I wonder if the Minister could inform the House as to the latest unemployment statistics in Manitoba?

MR. SCHROEDER: Yes, I do have some information here which I could send over to the honourable member. I should say that Manitoba has retained its historical position of being third lowest in terms of unemployment in the country. There are 8,000 more Manitobans employed as at this month than there were last month. I take that as an indication of something positive but we are not sure that we are out of the woods yet, in fact, we know we're not out of the woods. I will send a copy of it over to the honourable member.

MR. MERCIER: Mr. Speaker, I would hope that the Minister might develop the practise of distributing those statistics when they become available.

Mr. Speaker, I would ask him if he contributes what appears to be an increase in employed persons in the Province of Manitoba to be a direct result of the new government's policies?

MR. SCHROEDER: No, I would not be so presumptuous as to assume that it is something that has occurred within the last several months. It is something that we should be grateful for, but I do not pretend to have an explanation.

With respect to the matter of tabling of the unemployment statistics; that is probably a good suggestion. I should mention, however, Mr. Speaker, that the honourable member had requested sometime earlier that he be given a subscription to the Manitoba labour data and we did comply with that so he would be kept informed. That was a service not provided to the Opposition in the past.

A MEMBER: Is it in the Estimates?

MR. MERCIER: Mr. Speaker, a supplementary question to the Minister of Economic Development: in view of the promises signed by the first Minister in their election brochures that an NDP government would take action to get Manitoba's troubled economy moving again and would restore vitality to the provincial economy, and no Manitoban would lose his business due to high interest rates, Mr. Speaker, could the Minister of Economic Development advise the House what action she is taking with respect to the fact that bankruptcies in Manitoba apparently rose 24 percent over the same period last year, and trustees are predicting a continuing high rate of personal and business financial failures, what action is the Minister taking to overcome that difficulty?

MRS. SMITH: Mr. Speaker, the government on this side is concerned about the economic conditions of the province, but as we have said on many occasions,

the causes of these are very profound and the solutions are not all within the reach of a Provincial Government. We do have coming forward the Small Business Interest Rate Relief Program. It will deal with the problems of the most severely affected, but we have said all along, it's only an emergency program, and we don't have the resources to deal with the larger businesses. However, we are analyzing the nature of those problems and planning to do what is within the provincial resource capacity: to develop programs for down the road if, in fact, the interest rates do not come down and the situation does not show improvement.

MR. MERCIER: Mr. Speaker, in view of the promises and guarantees of the now First Minister in the election, could the Minister of Economic Development advise this House whether the 233 bankruptcies filed in January and February of this year are as a result of other than high interest rates?

MRS. SMITH: Mr. Speaker, the precise analysis is not available but my officials inform me that in large part the interest rate is an aggravating circumstance, but there is often management difficulty and other associated problems. There is always a steady role of new businesses being formed and some businesses going into bankruptcy. So, we're not dealing with a completely strange or new phenomenon. However, the extent of the problem is severely aggravated by the high interest rate.

MR. SHERMAN: Mr. Speaker, my question to the Honourable Minister of Health and I would ask him if he can advise the House whether, in view of the fact the President of the Manitoba Medical Association appears to have changed his position on the matter of binding arbitration, feeschedule negotiations between the Health Services Commission and the MMA are now going to resume?

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, the last bit of correspondence that I have received and the copy of the letter that was sent to the doctors would indicate that the President has not changed his mind; he's still insisting that nothing less will do than a commitment to include in future contracts, compulsory binding arbitration before they start negotiating again. So unfortunately, there is no change. We are meeting to prepare a reply to see if we can break the deadlock, but it doesn't look too promising at this time.

MR. SHERMAN: Mr. Speaker, can the Minister confirm on the basis of what he has just advised the House, that in fact the President of the Manitoba Medical Association then, is still insisting on what was referred to as a double-track approach to the question, and a double-track solution, before there can be any movement or progress?

MR. DESJARDINS: Yes, Mr. Speaker, the term "double track" has not been used again in any correspondence that we've received, but it is stated quite clearly

that the important thing — the only thing — that will bring us back together will be if the government agrees that in any future contracts, total but binding arbitration will be inserted in the contract.

The president is also informing its membership that no legislation is required. I think it's a lack of understanding because there is no way that we could include, even if we wanted to agree to compulsory binding arbitration, that you could do this without legislation. If that was the case the present legislation is that a doctor has 90 days to opt out; he could opt out any time, and we'd have no guarantee that it would be binding. In fact it would be binding only on one side; it would be binding on the government.

MR. SHERMAN: Has the Minister conveyed, either through his office or through the Manitoba Health Services Commission, that argument and the interpretation of that principle to the President of the MMA?

MR. DESJARDINS: This is what I was answering a while ago, that I'm meeting with the Chairman of the Manitoba Health Services Commission and the Deputy Minister to prepare a reply and try to make that quite clear. It was made clear on a radio station where I was interviewed and every chance that I've had, that we want to make that clear again.

MR. SHERMAN: A final supplementary, Mr. Speaker. Can the Minister advise the House when the proposed work to rule strategy that has been suggested by the leadership of the MMA will commence?

MR. DESJARDINS: Well, Mr. Chairman, I think it would be proper for me to answer that. I'm not the one that's going to suggest work to rule. It is something that the MMA will have to decide. I would think that many of the physicians in Manitoba will think twice. In the past the Legislature has given certain rights to the medical profession; they disciplined their own members; they're in charge of educating their own people; they've been fighting for the right of the patient-doctor relation, and I think if they use this method they would just be penalizing their patients, and I think it would be wrong, and I can't believe that the majority of doctors in Manitoba will resort to that.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Thank you, Mr. Speaker, I direct a question to the Honourable Minister of Energy and Mines. I wanted to ask this question yesterday when he was responding to questions from the Member for Tuxedo with regard to Environmental Studies. It had been clearly announced by the previous administrations that some of those hearings, particularly the public aspect of those hearings, would be held in the area. It was even indicated communities like Stonewall or Teulon would be possible sites for public hearings. Can the Minister confirm that when we get to that stage of holding those hearings that would still be the intention of this government, to afford the residents within the area to participate directly in the public environmental hearings on the Alcan proposal?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. JAY M. COWAN (Churchill): Thank you, Mr. Speaker, this being an environmental matter I feel I should allay the concerns of the Member for Lakeside in respect to the public hearings and the concerns which were expressed yesterday in respect to socio-economic and environmental impact assessment hearings.

They will be held in an extremely public way, and not only are we wanting to do that, but we are encouraging the public to come forward at every opportunity so that we can have the benefit of their expertise and their knowledge when we have to confront a very difficult problem, which is one of analyzing the different impacts on the society and on the environment as a result of this and other major projects.

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. GARY FILMON (Tuxedo): Mr. Speaker, my question is to the Minister responsible for Workplace Safety and Health. I wonder if the Minister can explain to the House why the former executive director of the Workplace Safety and Health Branch of his department — I might add a highly competent and technically qualified individual who was hired in response to recommendations of a study on mine safety — why this person has been terminated from his position by the government.

MR. COWAN: Yes, well, the individual who was occupying the position of the executive director for the Workplace Safety and Health Division, a new position I might add, which was bulletined in, I believe, September of last year and filled on October 17th of last year by Order in Council, I might add; we have decided as a government to terminate not the individual, but the position, it being redundant with the present policy and the present thrust of the government in respect to improving the Workplace Safety and Health Division and their activities in this province.

I want to make it very clear, and let the record be very clear in this regard, that we agree with the member opposite that individual had extreme competence in both technical and professional areas, and that we had suggested to him that if he wished, we would attempt to find another place in the Civil Service for him to continue.

He chose to do otherwise and I regret that. I had hoped that he would have stayed on with the Civil Service. However, that has to be his choice and I know that the members opposite will join with me when we wish him well in his new professional endeavours.

MR. FILMON: Yes, indeed, Mr. Speaker, we do wish him well in his new endeavours and join the Minister in that wish.

But my question is, how can the Minister justify for want of some reorganization in his department or redistribution or reallocation of people, the indefinite delay of the research project for testing for lead content in industrial workers, particularly when he on this side of the House in the past called out so loudly for the need for this kind of study and program, and

when the capability exists to do it among the research people at the University of Manitoba, people competent in health and safety and technical experts who could do it right now, but are being delayed because of the Minister's desire to reorganize in some way his department.

MR. COWAN: Well, the desire to reorganize the department, Mr. Speaker, is far more than a personal desire on my part, it's a necessity, given the fact that department has been stunted for the past four years under the previous administration's work.

We have decided as part of our new thrust in respect to enhancing the activities of the division in respect to ensuring that the protection which is afforded to workers in this province in respect to occupational hazards is enhanced, to proceed with a somewhat different structure than was in place before.

Unfortunately, as a result of changes and as a result of the redundancy being declared in respect to a specific position on which we addressed a moment ago, that project which has been put forth by Dr. Coodin has been temporarily delayed, but I want to assure the member opposite and I want to assure the good doctor in this regard, that delay is only temporary and this is a result of some reorganization.

I believe that the project is now back onstream or will be back onstream in the very near future, and I think that the two- or three-week delay which may have resulted out of this change in thrust and change in strategy in respect to the division, is very minor in comparison to the two- and three-year delays which the workers of this province had to experience under the previous administration in getting any activity done in this regard. That's why we were so vocal and so loud because the previous administration was dragging their heels and if the Opposition believes that we are dragging our heels now, I would expect them to be just as equally loud and vocal in their complaints.

However, I want to assure the honourable member who has requested this information, that we will be sitting down and discussing this matter with Dr. Coodin in the near future as we have been doing for the past number of months, and I want to assure him that we will in every way co-operate with Dr. Coodin to ensure that his project is of the most benefit to the workers to which I'm certain he intends it to be of benefit.

I also want to indicate to the member that this project in no way has an effect on the lead control program, that it is a research project, and as a research project, Mr. Speaker, this delay is not as significant as if we were refusing to do or refusing to co-operate in other sorts of activities.

MR. RANSOM: I believe, Mr. Speaker, that you have already cautioned the members of the Treasury Bench to make their answers brief to questions that lend themselves to brief answers. The rule reads, "Answers to questions should be as brief as possible and should deal with the matter raised and should not provoke debate."

MR. COWAN: On the point of order, Mr. Speaker, I can assure the Member for Turtle Mountain that my

answer was as brief as I could make it.

MR. FILMON: Mr. Speaker, I'm sure that we can all recognize that when there's nothing of substance in the answer, it's easier to hide when there's a lot of words around it.

Mr. Speaker, my next question is for the Minister of Education. I wonder if the Minister could inform the House as to the status of the proposed \$2-million expansion to the school complex at Leaf Rapids.

MR. SPEAKER: The Honourable Minister of Education.

HON. MAUREEN HEMPHILL (Logan): Yes, Mr. Speaker, I can. We have been spending a great deal of time looking into the situation at Leaf Rapids, because we realized immediately upon taking office that approval had been given for an addition under school projections that were possibly no longer going to be true because of what was happening in the mine.

We found when we looked into it, Mr. Speaker, that the addition had gone so far as to question the ability or the potential to cut it, to stop it. We have a situation where in the contract that the other government approved, there were no penalty clauses for stopping the program, stopping the project. We have a situation where we know we are building more classrooms than are needed presently for the school population, but if we stop the project, we will have spent \$1.5 million and we will have nothing to show for it, Mr. Speaker, except steel in the ground. I am preparing to take this information which we have just received an update on, to Cabinet next week for a final decision.

MR. SPEAKER: Does the Honourable Member for Tuxedo have a supplementary question on that matter?

MR. FILMON: Mr. Speaker, if the total cost of the project was estimated at \$2 million and it became evident in December when approximately 400 workers were laid off by Sheritt-Gordon and Sheritt-Gordon further advised that in all likelihood they would not be returning to the previous staff complement that they had in Leaf Rapids and there is no penalty in the contract for the government to stop the construction or stop the project, I fail to see how that \$1.5 million might have been spent in about two-and-a-half months of construction. I'd like a little further explanation from the Minister on that, why she didn't act prior to now which is another two-and-a-half months down the line.

MR. SPEAKER: The Honourable Minister of Education.

MRS. HEMPHILL: I'd be glad to answer that, Mr. Speaker. When we took office there was a report on my desk that had been prepared while the previous government was in office, where they had just previously looked at the school projections and looked at the information that was available and reported to me that my initial report was that they were recommending on the information available, that we proceed with the project.

MR. SPEAKER: The Honourable Member for Springfield.

MR. ANDY ANSTETT (Springfield): Thank you, Mr. Speaker, a question for the Minister of Highways and Transportation. In view of the pleasant change that we've had in the weather despite the fact of what it's done to our roads in the province, I'm wondering if the Minister can give us some indication of what this change is going to mean for the winter roads in the province. We haven't heard much the last several months about that condition because we've had very desirable cold weather. I'm wondering what the projections look like in the next few weeks for the winter road system.

MR. SPEAKER: The Honourable Minister of Highways.

MR. USKIW: Mr. Speaker, the winter roads normally expire some time around the middle or towards the end of March and we expect that to happen this year again. We are serving notice that they will be officially closed on the 21st of March.

MR. ANSTETT: Mr. Speaker, a supplementary to the Minister. In view of the fact that he's now suggesting that the roads are going to be closed in another 10 days or so, I'm wondering if he can report to the House on how much freight is left to be hauled over those roads and whether he reasonably expects the full requirements in the Northern communities to be met this year.

MR. USKIW: Mr. Speaker, my information is that the bulk of the shipments have been completed. All of the scheduled shipments have been completed and there is about a week left of so-called unscheduled shipments to tidy up the season.

MR. SPEAKER: The Honourable Member for Morris.

MR. CLAYTON MANNES (Morris): Yes, Mr. Speaker, I'd like to ask a question of the Minister of Agriculture. Can the Minister tell the House if he is planning a meeting in Regina next week of Western Ministers of Agriculture and also indicate what items are up for discussion?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. URUSKI: Mr. Speaker, I presume that the member is referring to the meeting on Monday in Regina. Yes, I will be attending along with my colleague and the Minister of Transportation.

MR. MANNES: A supplementary. I was more concerned about the items that were going to be discussed. Maybe he may want to answer that in the next question. In view of plummeting world grain crisis, can the Minister indicate whether this concern will be discussed formally at that meeting?

MR. URUSKI: Mr. Speaker, in fact that kind of a meeting was arranged earlier in the month in February.

However the Federal Government reneged on wanting to attend that meeting dealing with not only the issue of statutory rates in transportation, however as well the matter of grain prices and the future of the grain industry. They wanted a full analysis and report from the Canadian Wheat Board and other people involved in the industry.

MR. MANNES: A final supplementary, Mr. Speaker. Has the Minister made informal representation to Senator Argue who is responsible for the Canadian Wheat Board — an individual whom I am led to believe he shares many views — has he made representation to Senator Argue about his concern over falling grain prices particularly when the same Federal Minister is expected to announce initial prices for board grains some time in the near future?

MR. URUSKI: Mr. Speaker, we have raised our concern about the Federal transportation policy in dealing with what we feel is a very negative impact on the farmers and rural residents of the Province of Manitoba. As well, we are concerned as to the impact on farmers of falling world prices which we understand some of the impact on that has been the so-called embargoes that have been talked about by the United States and that have had some impact on the world prices. The demand is there but the world prices have been dropping.

MR. SPEAKER: The Honourable Member for Pembina.

MR. DONALD ORCHARD (Pembina): Thank you, Mr. Speaker. Then I take it following the non-answer to the specific question, has the Minister of Agriculture made representation to the Minister responsible for the Canadian Wheat Board as to the levels of the initial grain prices? Has he or has he not made that recommendation to the Federal Minister?

MR. URUSKI: Mr. Speaker, to say that I have directly written to the Minister of the Canadian Wheat Board specifically either complaining or recommending situations, I have not in the last short while. I have made statements publicly which of course would have reached the ears of the Minister of the Wheat Board in terms of the setting of the prices and the concerns that we have with farm incomes in the Province of Manitoba.

MR. ORCHARD: Mr. Speaker, will the Minister of Agriculture representing thousands of farmers in Manitoba, make that recommendation to the Federal Minister and indicate to him the very real necessity for having initial wheat prices, barley prices, oat prices set at a level which will adequately cover off the ever increasing costs of production faced by Manitoba farmers? Will he on behalf of those farmers as Minister of Agriculture for the province, make that recommendation?

MR. URUSKI: Mr. Speaker, as I understand it the prices for grains have to be set on the basis of expectations on the world market, on the basis of what farmers, what the Wheat Board and the government expect world prices of grains to be, not on the basis of

what we might want and what we feel should be the relationship to the cost of production. If the member is suggesting some other method of pricing of grains I'd be prepared to hear from him. But the prices really should be set and have to be set as the way the market system operates today, on the basis of what we expect on the world situation.

MR. ORCHARD: Mr. Speaker, since the Minister of Agriculture has not indicated whether he will make any representation, would he undertake to point out to the Federal Minister responsible that Manitoba farmers would appreciate no reduction in the initial prices?

MR. URUSKI: Mr. Speaker, obviously I would want to have not only Manitoba farmers but farmers right across Western Canada to receive the highest possible returns for their produce based, if it could be possible, on their cost of production.

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. AL MACKLING (St. James): Mr. Speaker, by leave I would like to ask leave of the House to make a Ministerial Statement and revert to Ministerial Statements for that purpose.

MR. SPEAKER: Does the Minister have leave? The time for question period has about thirty seconds left if that's of interest to people.

The Minister may proceed.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS (Cont'd)

MR. MACKLING: Thank you. I have copies, Mr. Speaker. —(Interjection)— Non, Monsieur.

Mr. Speaker, the Secretary of State for External Affairs, the Honourable Mark McGuigan, announced today that the Federal and Manitoba Governments will collaborate even more closely than in the past to protect Canadian interest relating to the Garrison Diversion Project.

Over the past two weeks at a meeting in Ottawa on March 2nd and in telephone conversations, Federal Ministers, Mr. McGuigan and the Honourable Lloyd Axworthy and Ministers from Manitoba, the Honourable Al Mackling and the Honourable J. Cowan, have had a full exchange on the question of how to pursue most effectively their continuing efforts relating to Garrison. In these discussions the concordance of Federal and Provincial interest was reinforced and the importance of full and close co-operation between the Federal and Manitoba Governments was emphasized. To this end Ministers agreed on a number of steps.

It was agreed that the dialogue and consultation between Federal and Manitoba Ministers on this issue will be continued and that a joint Ministerial Committee will be established for this purpose. This committee will meet as required to determine strategy for the continuing effort on Garrison. Committee membership will include, from the Federal Government the Honourable Mark McGuigan, Co-Chairman, the Hon-

ourable John Roberts and the Honourable Lloyd Axworthy; and for Manitoba the Honourable Al MacKling, Co-Chairman, and the Honourable Jay Cowan.

It was also agreed that officials from Ottawa and Winnipeg will continue to collaborate very closely both in Canada and the United States, in the effort on Garrison. One important element of this collaboration will be assignment of a Manitoba official to the Canadian Embassy in Washington under a renewable arrangement. This official will work with the Embassy Counselor on environment, and under the direction of the Canadian Ambassador who will continue his active role in leading the Canadian governmental effort on Garrison in the United States.

Finally, the Manitoba Government has decided to retain a Washington legal firm to provide continuing day to day advice, information and analysis on the Garrison question. Consistent with the co-ordinative arrangements defined by Ottawa and Winnipeg, the firm will plan and conduct its work in close consultation with the Canadian Embassy. Ministers agreed that by working in unison, Federal and Provincial Governments will be able to ensure that Canadian concerns about Garrison, are most effectively conveyed to and fully understood by American authorities.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I know that certainly all members of the Opposition indeed with all Manitobans, pass a sigh of relief that the government has done several things.

(a) They've recognized that the constant co-operative means of using the diplomatic channels available to us in our federal nation of Canada, are the appropriate ones and to that extent, Mr. Chairman, it wouldn't be too harsh I believe to say that although, at the cost of another election promise, it's obvious that the Provincial Government has knuckled under to the insistence of the Federal Government, that private or separate provincial offices are not open in the international handlings of affairs in Washington.

Mr. Speaker, I think it became evident as a result of the rather intensive questioning on Estimates yesterday to the same Minister on his Department of Natural Resources, why this statement is being somewhat rushed forward this morning. It was only yesterday at about 10 o'clock — I wouldn't say difficult questioning but a fairly lengthy process of questioning — where he said it would not be available, we'd have to wait three or four days before a statement on this matter could be made.

But, Mr. Speaker, let me not detract from this. We believe that the government is taking the correct and appropriate course of action. It's a course of action that has been supported by all parties in this House. We have passed resolutions to that effect in this House. There is no change. They suggest that there will be a Manitoba official who will be particularly co-ordinating the interests of Manitoba in this matter. Sir, we've always had the best and the highest quality of advice with that respect. I paid tribute to that particular person yesterday in the Estimates.

I can't help but concur with what the Honourable Minister is telling the House this morning. I say with some regrets that on a matter as important as the

Garrison, this government, the New Democratic Party, certainly did not shy away from their little game of politics at election time. The fact of the matter is, that they are not establishing an office in Washington as promised in the election. They are proceeding with the identical policy that had been pursued effectively for the last 10 years on this matter and I hope that we can pursue in this matter. There's nothing wrong with the additional support that they are promising and that's what they ought to do.

But to that extent, Mr. Speaker, we welcome the remarks this morning and this Minister will have the full co-operation from the members of the Opposition.

ORDERS OF THE DAY

ORDER FOR RETURN

MR. SPEAKER: Order for Return. The Honourable Member for Elmwood. Order please. Order please. If the Honourable Minister wishes to speak would he catch the Speaker's eye and stand up and speak in the proper manner. I have just recognized the Honourable Member for Elmwood. Would he proceed, please?

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I move, seconded by the Honourable Member for Kildonan that an Order of the House do issue for a Return of the following information:

(1) What is the estimated cost of painting and repairing the ceiling and walls of the interior dome of the Legislative Building?

(a) Scaffolding

(b) Labour

(c) Materials

(d) Other, including government services and consultant fees if any.

(2) Was the project tendered?

(3) Will the area above the Grand Staircase be painted and/or repaired?

(4) If so, what is the estimated cost of this second project?

MR. SPEAKER: The Honourable Minister of Government Services indicate the governments intention.

MR. USKIW: Yes, Mr. Speaker, we're prepared to accept that Order of Return.

MOTION presented and carried.

MR. SPEAKER: The Honourable, the House Leader.

MR. PENNER: Mr. Speaker, would you please call the Adjourned Debates on Second Reading in the order on which they appear on the Order Paper?

ADJOURNED DEBATES ON SECOND READING BILL NO. 3 — THE MANITOBA ACT

MR. SPEAKER: The Adjourned Debates on Second Reading, Bill No. 3, standing in the name of the Honourable Member for St. Norbert.

MR. MERCIER: Mr. Speaker, I've had an opportunity

to review the comments of the Honourable, the Attorney General and the provisions in this Bill and I have no concerns or objections to let this matter go past second reading and go on to Committee.

BILL NO. 4 — THE GARAGE KEEPERS ACT

MR. SPEAKER: On the adjourned debate of the Honourable Attorney-General Bill No. 4.

The Honourable Member for St. Norbert.

MR. MERCIER: Mr. Speaker, with respect to Bill No. 4, it should be noted that in 1980 our administration passed a significant amendment to this particular Act allowing a member of the public, a consumer of the services, despite having had to acknowledge the indebtedness under the Act as the Act required, to have the opportunity to pay the amount of the alleged claim for work done paid into court, and dispute the amount of the garage keeper's bill and the lien would cease to exist at that time. That was a significant move, Mr. Speaker, and I think, if the Honourable Attorney-General reviews the court records, he'll find that that procedure has been used a number of times by consumers in this province to contest the amount of garage keepers' bills.

Now, Mr. Speaker, we have some technical amendments to that particular section which I have no dispute with, but we also have contained in this bill an amendment which would eliminate the requirement of garage keepers to post copies of the Act on their premises in order to avail themselves of the benefits of garage keepers' liens. I point out, Mr. Speaker, that the previous provisions that I was referring to are probably not very widely known by members of the public.

Now we have the Minister, Mr. Speaker, who has spoken widely in the past of taking action to improve the public's economic rights; to bring about freedom of information legislation; to improve access to legal aid, acknowledging himself as a civil libertarian and a human rights activist — he is now, Mr. Speaker, going to delete the requirement for garage keepers to post the Act in order to avail themselves of the opportunity of taking lien action against members of the public and consumers.

I believe, Mr. Speaker, that particularly in view of the amendments which we had made to this Act, allowing consumers to pay money into court and contest the amount of the bills, that it would be wrong to delete the requirement that the Act be posted in garages. If Esso, or Gulf, or Texaco, or any of the other large garage operators, Mr. Speaker, wish not to post the Act and therefore not have the opportunity to take advantage of a garage keeper's lien, then that is fine. They can go ahead. But if a garage keeper wishes to have this special remedy of a lien, Mr. Speaker, then I see no reason why they should not be required to post the Act in order that a consumer may be informed of the provisions of the Act and his rights, particularly his right to pay money into court, to dispute the validity of the lien.

So, I have great concern, Mr. Speaker, with that provision of this bill that essentially takes away the opportunity for a consumer to be made fully aware of the provisions of the Act, and the opportunity to dis-

pute the amount of the garage bill. I don't that is in the interest of the consuming public, Mr. Speaker.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Pembina.

MR. ORCHARD: Mr. Speaker, I move, seconded by the Honourable Member for Turtle Mountain that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: On the adjourned debate on Bill No. 5; the Honourable Member for St. Norbert. (Stands)

On the proposed motion of the Honourable Minister of Consumer and Corporate Affairs, Bill No. 7; The Honourable Member for Kirkfield Park. (Stands)

MR. SPEAKER: The Honourable Government House Leader.

MR. PENNER: Yes, Mr. Speaker, would you call the adjourned debate on Ways and Means.

MR. SPEAKER: On the adjourned debate, of the Honourable Minister of Finance, THAT the House will at its next sitting resolve itself into a Committee to consider the Ways and Means for raising of the Supply to be granted to Her Majesty.

The Honourable Member for Turtle Mountain.

MR. RANSOM: Mr. Speaker, I adjourned this debate on behalf of the Leader of the Opposition.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. LYON: Mr. Speaker, it's not my intention to delay this item at any great length. I would, however, like to make a few comments upon the remarks that were made the other day, principally by the Minister of Finance, on the introduction of the Estimates, when these two motions were first placed before the House at that time. Mr. Speaker, the Minister of Finance made a few statements that have been commented upon to some extent by my colleague and by others of my colleagues in Opposition. I should like to add just a few thoughts to what has been said in a general way about Estimates and the means by which these Expenditure Estimates are going to be paid for out of the pockets of the taxpayers of Manitoba. At the risk of repeating myself, because I know that this will be the theme that we will have to impress upon honourable members opposite on a regular basis, I would remind the Minister of Finance first of all, that he is not dealing with his money; he is not dealing with money that grows on a money tree somewhere; he's dealing with money that has been earned by the hard work of the men and the women and the businesses and the farmers in Manitoba, and that his job is to be a trustee for that money, not to throw it about on wild ventures that happen to make him feel ideologically warm and secure, but rather to do those things on behalf of the people of Manitoba that they want done.

The honourable members opposite were elected with a number of promises that they had made to the

people of Manitoba; one of them, of course, Mr. Speaker, was to give relief against the usurious rates of interest that the country is now passing through—give relief to homeowners, to businessmen and to farmers, in particular, as being the three groups in Manitoba most impacted by these unusual and terrible rates that are causing great havoc with our economy.

Mr. Speaker, I can only say to my honourable friend, as has been said on other occasions to him and to his colleagues across the way, that they raise a great number of expectations among the people of Manitoba as to what they would do in terms of placing a safety net under those in genuine need, in order that they could be seen over this chasm while the interest rate spectre was still afflicting the economy in Manitoba. But instead what do we see? Well, first of all, he brings in spending Estimates of roughly \$2.8 billion and tucked away within those expenditures apparently in fulfillment of this solemn promise which raised these expectations among the people of Manitoba, is a promise to pay \$23 million for mortgage interest relief for homeowners, for businessmen and for farmers; three categories of people, Mr. Speaker, at a time when his officials can tell him that the minimum effort by the province in order to give meaningful aid on a one-year basis to this group would be about \$60 million.

So I say to my honourable friend that he's starting off on the wrong foot. One might, of course, understand that, because my honourable friend starts off on the left foot rather than the right foot, and he has much to learn about the obligation that is inherent upon not only him but his colleagues on the government side, those who occupy those seats temporarily, to fulfill and to carry out promises. And I say to my honourable friend that it is a matter of real regret to see this government starting off by mutilating one of the solemn promises that they made to the people of Manitoba — \$23 million to cover three categories of people over a two-year period — it's not even what they promised in their election campaign. So I say, Mr. Speaker, without going into the detail of other promises, that if he's got \$20 million for such ill-starred ventures as ManOil, why hasn't he got money in his Estimates to help the people of Manitoba. He's got \$20 million to play around with his ideological plaything of ManOil, why can't he help the people of Manitoba who need help today?

The Member for St. Norbert pointed out the number of bankruptcies that have occurred in Manitoba over the past three months. I venture to say, Sir, that if we of the Conservative Party were sitting on the far side of the House there would be moans and groans and whines and bellyaches day by day from the socialists saying, "What are you doing about these poor business people and so on?" Instead, now when these are occurring, Mr. Speaker, under a socialist administration who gave solemn promises signed by the now First Minister of this government, guarantees that nobody would have to go out of business because of interest-rate problems, the people of Manitoba are sitting back watching this quarter response, while at the same time they indulge themselves in their ideological fancies and confine \$20 million for something as useless as ManOil.

Mr. Speaker, that being the case, my honourable friend starts off in a very, very sad way as Minister of Finance and the augury for his success in this portfolio, I suggest, is very, very bad indeed, because not only of the method of presentation of his Estimates which has been gone into carefully by the Member for Turtle Mountain, but rather for the obvious inability of him or his colleagues to choose the proper priorities, now that they have temporarily responsibility for public affairs in this province.

Mr. Speaker, the Minister of Finance when he introduced the Estimates described them as transitional. They were completed at a time, said he, of major budgetary uncertainty arising out of fiscal arrangements negotiations. "We simply could not consider major undertakings involving new long-term obligations," said he. It is now recognized that Manitoba will 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. Mr. Speaker, I agree with those comments and I welcome the protestation of restraint that my honourable friend speaks of in those two paragraphs. But I must say to you, Sir, that having regard to the economic situation of the whole western world, having regard in particular to the economic situation of Canada and the inability of any of the Provincial Governments regardless of the political stripe of those Provincial Governments to have meaningful negotiations with the present Federal Government on established program financing or on the other cost-shared programs that we have equalization with Ottawa up until recently; having regard to that, how can my honourable friend then come forward with a set of Estimates, the priorities of which are so mixed up and the statement of which is so mischievous, in the sense that it does not tell us where the money is going to be found for the matters that still have to be dealt with, such as the negotiations with the Manitoba Government Employees Association where at least probably another \$20 million will be required for Supplementary Supply before this House adjourns. Why are these Estimates brought in, in this very incomplete fashion?

Mr. Speaker, I say to you that having regard to the economic situation in Canada, the government has brought in a set of Estimates and a spending program that might well have been conceived and printed and brought to earth by someone from Mars. It has no relationship at all to the situation in which the province finds itself at the present time. This is a time when the province has to make sure that every dollar it is collecting from the people of Manitoba and from the Federal Government in terms of cost-shared programs and so on, is put to the very best use possible and to see in these so-called transitional Estimates the lack of priority that is shown in some of the expenditures that are laid forward there is very, very disturbing indeed.

Mr. Speaker, the next and perhaps the most surprising statement that has already been commented upon, but I think it needs further comment occurs on Page 4 of my honourable friend's introductory remarks when he said, "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 in various provincial program fields, the members opposite helped provide a rationale for the cutback legislation which will soon be introduced in parliament.

Mr. Speaker, my honourable friend, the Minister of Finance, is not known for his perspicacity. He should make himself familiar with the history of this country and the history of particularly recent negotiations of an economic and fiscal nature that took place among the 11 governments in this country. I call to his attention and to his memory, and he need only go so far back as, I think, last year's Budget statement or the statement the year before and indeed the full statement was contained in the Budget Address of 1978, I recall to his attention the joint statement that was made by the Federal Government and the 10 Provincial Governments of Canada emerging from an economic conference in 1978 in which those goals were set forth as the kind of economic leadership that government could be and should be establishing for the private and the public sector in this country.

Mr. Speaker, I want to tell my honourable friend and to educate him a bit and God knows he needs a fair amount of it, that it wasn't this province or that province that called for those goals, it was all provinces in Canada including the socialist province to the west, who called for precisely the same goals in 1978.

Mr. Speaker, if he will check the proceedings of the Premiers' Meeting which took place in Victoria in August of 1981 he will see — and I don't have the document in front of me subject to the reference — but my memory is, he will see that those same goals were reaffirmed by the 10 Provincial Governments of Canada at that meeting as recently as August of 1981.

So, Mr. Speaker, I don't know where this particular kind of fantasy land talk comes from. Certainly it doesn't emerge from any of the permanent advisors, the long term career people on his staff because they know better. It must be from some of these itinerant mercenaries that they've brought on, these hit men that they bring in from B.C. and Saskatchewan who can only work for socialist governments. God knows they come from all over the world. You wouldn't expect them to know anything that had happened in Canada in August of 1981, or some of them at least.

So, Mr. Speaker, I suggest that while we have been talking a bit about revisionist history, which is practised always by Socialist, Marcists and all people of that ilk, I suggest to my honourable friend opposite if he is capable of making the distinction on his part, I would be happy to hear him. I suggest to my honourable friend that he familiarize himself with the aims and with the goals that were set by the 11 First Ministers in 1978, reiterated by the Premiers at successive meetings that the Premiers had with respect to goals that the public sector should try to achieve. This was not something, Mr. Speaker that was part of what he would call, I suppose, he or his ideological friends to his left and right, neo-conservatism, and this was part of Canadian common sense, a document in 1978 that was signed by the present Prime Minister of Canada, by the then 10n Premiers of Canada including the one socialist government in Canada at that time, which

had the good sense to see what was happening in the country and to subscribe to those ideals. Mr. Speaker, there may be one less Tory government but that doesn't mean that there should be an abandonment of common sense.

Mr. Speaker, this attempt by the honourable member and by some of his colleagues, to suggest that the troubles that he is experiencing in his niaivity in Federal-Provincial negotiations somehow or other spring from any actions taken by this or other governments with respect to Federal-Provincial negotiations over the past three to four years is as I've said, a piece a pure fantasy.

I sincerely hope for the sake of the people of Manitoba, that my honourable friend will come to his senses and not try to peddle this kind of nonsense. God knows that as the First Minister of this province, I have been as strong as the Premier of Saskatchewan, the Premier of British Columbia, the Premier of Quebec, the Premier of Newfoundland and any of the other Premiers, including the Premier of Ontario, the Premier of New Brunswick, with respect to the inability of provincial governments over the past two or three years in particular, to have any meaningful negotiations with the present Federal Government. I have been as strong in my protestations of that as any other Premier in Canada.

I want to say to my honourable friend that if you are not prepared to stand up for the rights of the people of Manitoba in Federal-Provincial Conferences, then you better vacate your seats across the way. If you're prepared to try to pass off this kind of poor putting as a reason for your own inability to negotiate with the Federal Government which is extremely tough to negotiate with, then you are setting up a standard and an example that is not only intellectually shameful, it is not even politically acceptable.

So, Mr. Speaker, I hope that my honourable friend will learn a bit. I hope that he will consult with the full time career people that he has in the Department of Finance in particular. I hope that he will take time to be educated by them. I hope he will do a bit of reading. I hope he will find out what the position of the Province of Manitoba has been under successive governments, not only under the previous government, but under the Schreyer government as well. The Schreyer government which agreed to the block funding system that we have and indeed asked for the block funding system that the Federal Government is now assaulting, the one that we tried to support when we were in office because it was the right way to go in terms of the provinces running their own shows with respect to health care, with respect to higher education and so on.

I hope my honourable friend can become better educated in all of these fundamentally important things that relate to Federal-Provincial negotiations and not embarrass himself, not embarrass his government, not embarrass his province by making the kind of rather childish unfounded statements that appear on page four and other pieces as he attempts in his inept way, to make a political point which doesn't exist.

Mr. Speaker, he goes on in his statement to say, "We have made it clear that we believe the Federal Government through its spending power must play a key role

insuring 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."

I say to my honourable friend, don't depend on the equalization provision and the Constitutional Resolution to act as any sheet anchor for the position of Manitoba with respect to future Federal-Provincial negotiations. I say to him hard bargaining, fair bargaining, rational argument, not an overstatement of the case or anything like that at all, will be the best guarantee that Manitoba will get fair treatment by any Federal Government. Cow-towing, tugging at one's forelock, turning ones hat in one's hand, offering to kiss somebody's hem is not the way that Manitoba traditionally has bargained. My honourable friend, and particularly his First Minister had better learn that lesson too because as I said without applying at this stage, because I don't think my honourable friends opposite deserve it yet, but I have said publicly and I say it again, the Premier of Manitoba and his Ministers can neither a churchmouse nor a doormat be when they are negotiating on behalf of the people of this province.

Well, Mr. Speaker, I don't intend to rehearse the words that were used by the Member for Turtle Mountain with respect to the falsity of the Estimates, in terms of the statement that is made to the effect that these represent some 14 percent of an increase over the actual expenditures as they are now projected to be at the end of the third quarter.

My honourable friend again would learn, if he talked to his permanent officials rather than to the transients that he has apparently flocking around him, he would learn that you have got to make a valid comparison that is understandable to the people and you have a responsibility not only to the Opposition but to the people of Manitoba to enlighten them as fairly as you can and as rationally as you can. In following through on that course, one should try to explain that the increases on a print-to-print or on an actual expenditure to an actual expenditure. To do otherwise is to compare apples and oranges and I think my honourable friend has even grasped that point by now and if not, should have.

So as I say, I don't intend to rehearse that point with him, but I would suggest that a strong element of candor is usually a good prescription for any Minister of Finance and, instead of trying to play games with facts or figures, instead of trying to be cute politically, my honourable friend should get his nose down to business; tell the people of Manitoba that these Estimates, in fact, do represent something like a 16.9 percent increase over last year's printed Estimates and that, having regard to the supplementaries that he will undoubtedly have to bring in to cover a number of the things that have already been identified over here and admitted by the other side of the House, that the Estimate expenditure is, in all likelihood, going to run somewhere in the area, a minimum of 17 to 18 to 19 or maybe even 20 percent, God forbid, over what the expenditures were for last year.

My honourable friend will find, sitting in the Treasury Bench, that if he uses that kind of candor with the Members of the House and with the people of Manitoba that he will rise in their estimation. If, on the other

hand, he persists in the kind of juvenile presentation that he has made to this House in his first venture, he will find that his estimate among the people of Manitoba will stay roughly where it is at the present time.

So, Mr. Speaker, I think most of the other points made by the other speakers who have spoken on this side of the House have been dealt with adequately, but I did wish to make those few comments to the House with respect to the inadequacies, as I see them, not only in the figures as they are presented in the Estimates, but in the method of presentation of the Estimates, which is one that will not stand the test of scrutiny very long in this House. And I stand here today, based on a few years of experience in this House, both on the Treasury side and on the Opposition side, and suggest that my honourable friend, the Minister of Finance, is going to have to eat most of the words that he spoke in his opening statement with respect to Federal-Provincial negotiations, with respect to concocted percentage increases over last year. I merely say to him that I hope in the course of his tenure, as Minister of Finance, he will attempt the next time around to do a much better job than he has with the first set of Estimates that he has introduced to this House.

Mr. Speaker, we do on this side of the House wish him and wish his colleagues well, as we've said in the Throne Speech, because they have a serious responsibility to the people of Manitoba. If they carry out that responsibility well that is good for all people in Manitoba and, regardless of our partisan differences from time to time, we will be the first to acclaim and to applaud that, a job well done. If it is being done incompetently, as is the herald of these Estimates, we will equally be quick to call them to account, as we have been doing over the last number of days, in order that their performance may improve, not for any narrow partisan advantage that we will gain, but rather so that the people of Manitoba will be better served by them.

MR. SPEAKER: The Honourable Minister of Finance.

MR. SCHROEDER: Thank you, Mr. Speaker. I understand I will be closing debate on the resolution from the motion.

On Wednesday, March 10th, the Member for Turtle Mountain . . .

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. RANSOM: Is there such a thing as the Minister closing debate on a motion of this nature?

MR. SPEAKER: Order please. I've been informed that it is a substantive motion and, therefore, the Minister is entitled to both introduce the Bill and to close the debate. However, if there is any other member wishing to speak on this matter I will recognize him before the Minister.

There not being so, the Minister of Finance.

MR. SCHROEDER: Thank you, Mr. Speaker. On Wednesday, March 10th, the Member for Turtle Mountain and some of his colleagues gave us their

party's initial views on the government's expenditure Estimates for the coming year and the Member for Turtle Mountain, specifically, took great care to deal in percentage figures, ratios and that type of thing and so it was no surprise that he concentrated most of his comments on the projected growth rate for the year ahead. It's also no surprise that he tried to argue that the final figures for the year may well be higher than the Estimates.

He certainly had plenty of experience along those lines himself, Mr. Speaker, in fact, I thought that his comments were more than just a little bit humorous, in view of the record of his own administration, both this year, 1981-82 and in previous years.

I would remind Members of the House of the \$80 million in Special Warrants this year which were necessary to supplement the inadequate provisions in the Estimates tabled by the Member for Turtle Mountain last February. At that point the member forecast an expenditure growth rate of 14.66 percent on a print-over-print basis for 1981-82 and a comparable increase on a print-over-revised basis. Then in his Budget Speech, after introducing Supplementary Estimates, he revised his forecast to around 15.5 percent on a print-over-preliminary-actual basis, not a print-over-print basis as he tried to tell the House everybody in the past had always used, but in fact a print-over-preliminary-actual and I don't criticize him for that because that is the only sensible figure to use. Why use a figure that you know is wrong in bringing in Estimates? Why bring in a print figure that is a year out of date and you know very well is wrong? That is the type of thing that is misleading.

After the second quarter of this fiscal year, rather than the 15.5 percent he had forecast at the time of the Budget, the rate was suddenly over 17 percent and it is now in excess of 18 percent, so it seems to me that it is more logical to use actual than some dream figure that he's come up with.

I had mentioned in question period, I believe, yesterday about the year 1979 when the Main Estimates put forward for 1979-80 called for a percentage increase of 5.56 percent on a print-over-print basis. And what do they come up with in the end? 13.9 percent, that group of capable managers, that group of people that try to pose as fiscally responsible, as capable, as people who know what they're doing with dollars; more than double what they were talking about in the beginning.

This year there were numerous examples of insufficient allowances in the Estimates for various expenditure items — the Department of Health is an obvious example. There are other areas where we have problems every year — fire suppression. We've increased the amount for this year because we believe that the amount traditionally budgeted in the past just didn't make sense because we were always going over the amount and so we increased it and that's part of our increase in the Main Estimates.

They added in a Hog Producers' Insurance Plan, although they make a great production about the prospect of us bringing in a Beef Stabilization Program which is not in the Main Estimates.

We don't know the numbers and when we do know the numbers we will bring them in. Last year the Hog Stabilization Program was brought in in Supplemen-

tary Estimates, and still on last year's Supplementary Estimates, because the Member for Turtle Mountain was making a great to-do about the \$2 million to the Winnipeg School Division which was not included, he in his own Estimates, in his Supplementaries, had to come up with \$1.1 million last year for the Department of Education. Why? Why? Why? Because it hadn't been included in the grant to Winnipeg; it hadn't been included in the Main Estimates.

Now, I said, when I brought these Estimates to the House, that the \$2 million we were paying to the City of Winnipeg was not included in the amount being tabled. I said that, made it very clear the night that I presented the Estimates, and somehow the Member for Turtle Mountain makes it appear that we're trying to hide something. We didn't try to hide it, the fact of the matter was that there was a decision made after the documents went to print, and when we decided to make that contribution to Winnipeg No. 1 we decided to make it public the way they always are made public, at the time of year when they are always made public.

Now, I should just point out again that in every year that the Conservatives were in office they did introduce Supplementary Estimates, in every year. In fact, the last time no Supplementary Estimates were introduced was in 1973-74 and the previous time to that was in 1972-73. That's some time ago. —(Interjection)— The government then was an NDP Government, yes, and the year before. And in 1979 we had Supplementary Estimates for the Hydro rate freeze, and although the members opposite may not enjoy remembering it, to provide enough authority to continue the Manitoba Supplement for the Elderly for the year. I'm not sure whether the Leader of the Opposition heard that, but they hadn't included enough in their Main Estimates to pay for the Manitoba Supplement for the Elderly for the rest of the year.

That's the kind of competence that that government was showing and their leader is now standing up and telling us what we are supposed to learn. —(Interjection)— Oh, certainly. I'm sorry, the Leader of the Opposition is suggesting from his seat that that was an over-estimation. They did over-estimate many many programs, and that of course is another reason why we should talk about "actual" rather than "print," but in this particular case, in this particular instance, they underestimated for that particular program. That's why they came for Supplementary Estimates. In fact, I believe I have a copy of them here somewhere. Anyway, we'll get at that some other time.

Now, one of the questions raised by the Member for Turtle Mountain dealt with the matter of the Advertising Audit Office in the Executive Council and he referred with great dismay to what he called an 824 percent increase in that appropriation.

I might start by saying that the simple arithmetic, if you took those numbers, suggest a 724 percent increase, but even that is highly misleading. As the Member for Turtle Mountain should know the real increase is nowhere near that large; there only appears to be a major increase because of a change in accounting.

Formerly recoveries were shown against expenditures and only the net amount was voted. This year the net amount shows up on the left hand side for 1981-82, but the amount on the right hand side is not a

fully netted figure since Recoveries from Crown Agencies have not been deducted and, as a footnote on the page indicates, the amount involved is \$924,600 and forms part of the Consolidated Revenue of the Province.

Of course, one of the difficulties that the Member for Turtle Mountain has is that maybe he wasn't in Finance for long enough, but he also made the suggestions several days ago, Mr. Speaker, that he couldn't understand why we were out there borrowing money the other day. When he left office we had more than \$120 million in short loans, in overdrafts, promissory notes at high current interest rates, and he knew that by the time we got to the end of March of '82 we would be in the vicinity of \$200 million in short money and that we needed money to cover the spending that that government had entered into. He suggested, at the same time, that somehow the other borrowing that had been done by this government had something to do with those amounts, when he knew full well, or ought to have known because it was made public at the time of each borrowing, that those loans were not for the purpose of the government, but were for the purpose of the Crown Agencies — Manitoba Hydro to be specific — and had nothing to do with our revenues. —(Interjection)— You could have asked. The man stands up after the statement was made; he's had four question periods since then to ask and he has not stood up and asked the question, "What is it for?" If he didn't know what it was for, knowing what kind of a current debt situation we were in, then I find that to be totally incredible.

Back to the Advertising. In fact, the member should know that the actual advertising expenditures by his administration in 1981-82 far exceeded the voted authority for that year. In fact, the 1982-83 Estimates of Public Sector Advertising costs exceed the 1981-82 revised figures by about 8.9 percent and that's less than inflation so there will be less advertising.

And if the Member for Turtle Mountain is surprised by this then he was not doing his job as Minister of Finance. And if he isn't surprised, then I feel it is necessary to question whether or not he misled the House when he raised this matter.

Besides being incorrect or simply misleading in a number of comments, the members opposite were also inconsistent. On the one hand, they argued that the Estimates were too large and would mean severe budgetary problems; on the other hand, they argued for additional expenditures. Now, some of the expenditures we heard about during the election campaign, some of them they're not talking about now; where's the \$200 million for drainage ditches in western Manitoba, I haven't heard them talk about that; that was an election promise made in the dying days of their government — \$200 million. What would that do to this deficit that they are referring to of last year or a possible deficit for the next year, what would that do to it; or the \$20 million. The First Minister was talking just a little while ago about \$60 million is what we need for a good program to protect small business people, protect homeowners and farmers from the outrageous interest rates that are in effect in this country and in the western world. He says that's not enough, the 23 million isn't enough, we need 60 million. But what was he saying during the election campaign? He was talk-

ing in the area of \$20 million; \$20 million he was talking about, now he's coming back, when he knew or he should have known, he was in power, he had access to the figures. If it was \$60 million that he wanted to spend why didn't he say so, or if it was necessary to spend 60. Now suddenly he comes here and says you have to spend 60, although they only promised 20. So another \$40 million, what would that do to a deficit or to the tax position of the province.

Now they've also referred to too little spending in the Department of Economic Development where there's 8 percent forecast. Well if we go back to 1977-78, just as an example, the spending for the department at that time was 6.6 million; 1978-79 they dropped by \$2 million. That was their contribution to economic development in this province. Of course, those cuts were across-the-board.

Now the Member for Turtle Mountain always likes to preface his arguments on the economy by saying that we, on this side of the House, never outline all the facts, and never provide a complete analysis of the economic situation. He argues that if all the so-called facts are laid out then there is only one self-evident conclusion which, of course, is the one which he and his colleagues reach. Unfortunately, it seems to me that the only conclusion his facts and his analysis ever lead to is that nothing can be done about anything. That isn't analysis, it is paralysis. It is precisely the kind of mindset which mark the economic policies of the members opposite when they were on this side of the House. If you start with the assumption that things can't be changed, or that they shouldn't change, then you don't try to change them. We don't start with that assumption, we don't claim the Provincial Governments on their own can do much about major national economic problems, but we do believe that we can act in a significant way to offset their worst effects here in Manitoba; and we don't believe governments should always be required to wait and react, after the fact, after the damage has been done. And we aren't bound, in our economic policy-making, by a dogmatic adherence to the kinds of principles which the members opposite seem to feel had to be met regardless of the cost.

The First Minister referred in his speech to a statement by the First Ministers back in 1978. I believe one of the paragraphs in that statement was that it was the private sector that was the engine that would drive the economy. Well in Manitoba, unfortunately, that engine ran out of gas during the regime of that First Minister, and we have to look at things as they are, not as we would like to see them. And that is a problem that he had then, and it appears that he still has now.

One could continue, in fact, with a long litany of economic statistics to describe the state of decline in the Manitoba economy during the Conservative years. However, I will just set a few examples which my predecessors analysis failed to comprehend. In 1980 — I'm sorry, I understand that you don't like to hear people answering some of the ridiculous charges that you are making, but they will be answered, they will be answered. (Interjection). In 1980 and 1981 less than 3,000 housing starts per year were recorded in Manitoba, less than one-third of the average number during the 1970's. In 1981, the year the members' opposite would like to hold up as a model of the

achievement of their administration, there were 244 businesses and farm bankruptcies in Manitoba, an increase of 300 percent over 1977. We could talk about output in the goods-producing sector in Manitoba which, although I'm sure the Leader of the Opposition doesn't know it, in the four years from 1977-81 volume of output in goods-producing sector declined in Manitoba by 3 percent. I'm sure he didn't know that. This decline occurred despite the inclusion in the 1981 figures of record agricultural production. And if we look at non-agricultural production, that is production in the other primary industries, in manufacturing, construction and in the utilities components, we see a decline of 4.5 percent over the four years. And they were talking about how great things were, blue skies in Manitoba. We didn't say that, we said times are tough and we're going to have to have an activist government that doesn't just turn its back on the problems of this province.

In the short time our government has been in office we have taken a firm stand against irrational interest rate policies which place unfair burdens on many of our citizens, and have contributed to the collapse of the housing industry and to the rise in bankruptcies. Now, the Leader of the Opposition was making all kinds of statements while I was referring to bankruptcies and the fact that we're not having housing. He would say it's because of the interest rates, of course, that is a very large component of the reason for the increases in bankruptcies and cuts in housing construction. But his government supported the high interest rate policy of the Federal Government; that was the problem, they were part of the problem rather than part of the solution.

The Member for Turtle Mountain also spoke at length about federal-provincial financial relations and his personal difficulties in dealing with a variety of Federal Ministers. Now I can sympathize with him in a number of ways and I can say that I, too, have been disappointed on a number of occasions in my limited contact with the Federal Government. However, as the Premier has pointed out very ably, we believe there is no choice but to attempt to co-operate with the Government of Canada and to show them, by example, that far more can be accomplished by working together than by trying to compete or even to undercut the other's position.

I was interested again to hear the Member for Turtle Mountain's comments about the time the Clark Government was in office in Ottawa, those good old days. He made it sound as if that period was significantly different and that Manitoba was substantially better off as a result. Well, Mr. Speaker, I'm advised that there is very little evidence, if any, and I've asked to support that conclusion.

In fact I'm informed that the DREE Minister of the day, the Honourable Elmer MacKay, whom I'm sure you will remember, rewarded his friends in the Manitoba Government with an arbitrary cap. You remember that? An arbitrary cap on DREE payments for the 1980-81 fiscal year, and that we were the only province in the entire country to be rewarded with that type of a cap on our payments, and we never heard a word about it. And that man stands up in this Legislature and talks about the good old days and the Clark government and he is flailing the Liberals but not

attacking his buddies in Ottawa who took us to the cleaners in their only year in office.

That type of neglect of Manitoba, and surely we can say it's nothing short of that, surely we should have been standing up and fighting and we would have been with you if you would have told us about this, we would certainly have supported you. The people of this province would have supported you in saying that it is wrong to single out Manitoba for that type of an arbitrary cap, but not a word. They stand up and say, how terrible this other government is. They criticize the Liberals in public, and that's fine. You can go ahead and do that and you can bargain hard but I question how hard you bargained on that one and we just heard the Leader of the Opposition talk about hard and fair bargaining. I would like to know what kind of hard and fair bargaining went on when we were the only province that had an arbitrary cap put on our payments.

Insofar as the current negotiations are concerned, there is no doubt that Manitoba was particularly vulnerable to changes in the equalization formula. The members opposite recognized that and spoke of it publicly on a number of occasions. It is also clear that in putting forward proposals for changes to the fiscal arrangements the Federal Government could have, if it had chosen to do so, made special provisions to cushion the impact on our province, but in its Budget which appeared five days before our provincial election, it did not do so. It has only been since the election that the Federal Government has been persuaded to put forward some proposals for transitional assistance.

Now we do not say that we are satisfied with those proposals but at least there is something. Perhaps it might have done so regardless of the outcome of the November 17 election; that is something that members opposite and we can think about. My own opinion is that there would have been no attempt, no attempt at additional assistance had those members been re-elected as the government of this province; and I base that on the state of federal-provincial relations in early November as the Member for Turtle Mountain himself described them.

There is no doubt that the members opposite were not entirely to blame, that is not the point. The point is, that they were prepared to engage in the same kinds of confrontation or combative federalism tactics which led to the very breakdown of communications they faced. We are trying to change that atmosphere and obviously it isn't going to be easy, particularly if the Government of Canada follows through on its cut-back plans and proceeds with further cuts next year.

On that area of fiscal relations we have been put in a position where the Federal Government has had its task made easier by the former government of Manitoba which incessantly called on that government to cut back on its spending. In fact, even the short-lived Clark government, I recall the night Joe Clark brought his Budget down and the Premier at the time was in Brandon, the then Premier, and he said Clark wasn't tough enough.

Now we've got a Federal Government which is being rather tough and they are looking around at saving money. So how do they do it? The cut back on payments to the provinces. At the same time, that

group in it's four years in office, kept insisting that those people, when they were in power, continuously argued that the revenue guarantee portion of our payments from Ottawa had nothing to do with established program financing, had nothing to do with universities, health, hospitalization, and that the province could spend it in any way it chose with no relationship back. Now the Federal Government is coming along and saying, well if that's the case then if we take it away then of course it has nothing to do with education, health or hospital and therefore you can't say that somehow it has an effect and I think that's a silly argument the Federal Government is using on it. We've said so to them, but the fact of the matter is they were set up by the Provincial Governments who argued the other side of that coin for so long.

The Leader of the Opposition says I should talk to Mr. Blakeney and find out what the facts are. In fact at the last First Ministers' Conference we were discussing precisely that issue and Mr. Blakeney very clearly, very very clearly emphasized that that was a part of the bargain, it was a part of the money to be paid for established program financing. The checks, and the Member for Turtle Mountain might know this, the checks from the Federal Government came for that purpose; there was no differentiation, is was that program. There was no doubt that it was that program.

So, Mr. Speaker, again the area that the wizard of Turtle Mountain chose to attack us on, the area of bringing in Estimates that don't cover all of the year's spending, is one that I suggest does not wash; and the other comments made by the Leader of the Opposition, the suggestion that we learn. I am quite willing to learn; I do not pretend that I know everything about my department. He suggests that I do some reading; I will do the reading. I just hope that the next time we come to debate these Estimates, that we have some more informed opposition.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. PENNER: Mr. Speaker, I move, seconded by the Honourable Minister of Finance that the Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

In moving that I would advise the House, and have advised the Opposition House Leader, that it is our intention to move Interim Supply in the House.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Flin Flon in the Chair.

**COMMITTEE OF WAYS AND MEANS
INTERIM SUPPLY**

MR. CHAIRMAN, Jerry T. Storie (Flin Flon): The question before the committee is:

BE IT RESOLVED THAT a sum not exceeding \$794,236,590, being 30 percent of the amount of the

several items to be voted for departments as set forth in the Main Estimates for the fiscal year ending the 31st day of March, 1983 laid before the House at the present Session of the Legislature be granted to Her Majesty for the fiscal year ending the 31st day of March, 1983.

The Honourable Member for Turtle Mountain.

MR. RANSOM: It had been our intention to pass these items through today, but unfortunately, I believe that we will have to enter into debate on some items that have been raised. I welcome the opportunity to do that, Mr. Chairman.

Some of the members opposite, some of the new members, might be interested to know, Mr. Chairman, that this is an item that ordinarily is passed rather quickly and usually passed without debate. Last year, when the Interim Supply was first introduced as it is being today, I believe the Opposition debated it on some five or six occasions after that.

I might point out to the House Leader in a friendly sort of fashion, that it might help to expedite the business of the House if the House Leader would be kind enough to speak to me in advance about the business which he hopes to conduct, and we might be able to work out more satisfactory arrangements as to the timing of various items.

Mr. Chairman, the Minister of Finance dwelt to a very great extent on the past during his speech on the Ways and Means Motion, and I find that unusual in that the member opposite have, in fact, been elected to government; they are government now. They have responsibilities and the facts that I laid on the table on the two previous occasions this week when I spoke, were not intended as a defense of the actions of the previous government, as a defense of any failures or any shortcomings of the previous government, or intended to trumpet any of the successes of the previous government, but simply to place some facts on the record as to where this new government starts from.

Because those members opposite made promises to the people of this province for the past four years, they stood up on this side and they criticized the government for inaction in the area of employment creation and in doing anything about interest rates for homeowners, for farmers and for small businessmen; they criticize us for bankruptcies; they criticize us for closures of plants; they criticize us for spending too little and they criticize us for spending too much, but they went out and they made promises to the people of Manitoba during the election.

The Member for Elmwood probably knows of some of the promises, promises like assistance for people who have urea formaldehyde insulation in their homes, another promise which they have reneged on to this point. They made promises and the public said, "These people are offering us some kind of hope to deal with these seemingly intractable problems." So they elected them. Mr. Chairman, I can congratulate you, of course as being one of those that were elected and now serving your constituents in this House and serving this Committee. But there are responsibilities that follow from that. The government can't now turn and say, "Oh, but we found out after we got into government that the province was in such sad finan-

cial condition that we can't afford to keep these promises anymore." All that information was known; it was all open, and I have simply pointed to the members opposite that the financial condition of the province is stronger today than it was four years ago. The condition of the economy is stronger than it was four years ago.

The Minister of Finance spoke of the private sector, made reference to the February 1978 meeting of the First Ministers in Ottawa, when they all agreed that after everything is said and done, it's really the private sector that is going to fuel the engines of the economy in this country. The Minister of Finance said, "Well, but the private sector really failed in Manitoba." Yes, I think he said that it ran out of gas. Well, let me remind the members opposite of what happened in 1977, and I can refer them to the recent publication that Dr. Mason from the University of Manitoba has published, which gives an objective sort of summation of what happened in this province during the past few years.

When the members were in government previously, they sustained economic activity in this province to a very great extent by investing in hydro construction which was not required. The members need only check the records for how much money was being spent. I believe in dollars during those years, that 1975-76 dollar, they were spending up to \$350 million a year being injected into the economy in hydro construction. In 1977 that was stopped by the members opposite a little while prior to the election, although you wouldn't have learned about it during the election, because of course they didn't tell anybody during the election. But, in fact they did.

So that in October of 1977, when we assumed responsibility for government, here is this massive sum of money, \$350 million a year, that had been going into the economy that suddenly was withdrawn. Now, Mr. Chairman, what would one expect is going to happen when you withdraw \$350 million from the economy of Manitoba, from an economy that in 1977 when that construction was still under way, from an economy that only grew by 0.8 percent. Take another \$350 million out from that and that means that there was a colossal problem facing the province just in order to maintain the status quo and, of course, for at least one year during that period of time the economy didn't maintain the status quo, it in fact declined. But the private sector did respond during that period of time and it took up a lot of that slack but it couldn't take it all up.

Let me tell you another fact which I ask you to check for yourselves, don't take my word for it. Look at the number of jobs in the manufacturing sector from 1975 to 1977, look at the thousands of jobs that were lost in the manufacturing sector during that period of time. Look at what has happened since 1977 and you'll see that there have been thousands of jobs created in the manufacturing sector. There has been a real meaningful base of manufacturing re-established. The economy isn't based now on Hydro construction which simply was taking dollars out of people's pockets, running Hydro rates up by 156 percent in three years, these are real manufacturing jobs that are there now, so there is a base there. What are the members opposite proposing to do now? They're say-

ing well, we can't keep some of our promises, but that isn't what they said during the election.

The First Minister, the now First Minister, went out in the election and he said, we may not have great fiscal capacity but we're going to do what we can. That's no excuse for inaction on the part of the government. He said no farmer is going to lose their farm because of high interest rates. He said no businessman is going to lose his business because of high interest rates and he said that no homeowner is going to lose their home, that we're going to put up \$23 million to do all that. Well, some of us said, I don't think you can do it for \$23 million but you've made the promise and the public believed you. The public believed that story.

Now we find out — and we were going to have an immediate emergency Session of the Legislature to deal with that too — now that sounded like action, to the public that sounded like action. Let's get that Legislature together; let's get these programs in place and we'll have this interest rate monkey taken off our backs. Immediately after the election the First Minister then began to think, well maybe we don't have to have an immediate emergency Session of the Legislature and maybe immediate doesn't mean anymore what the people out there thought immediate meant. That's becoming more and more evident now. It can be like immediate construction of Hydro, of Limestone.

So then the \$23 million suddenly became not \$23 million for homeowners; it became evident then that actually it was \$23 million for homeowners, for farmers and for small business. Then they said that \$23 million isn't for one year; we're going to divide that in half and we're going to make it go over two years and it really doesn't mean that no farmer is going to lose his farm. It means that no farmer who is grossing under \$70,000 a year and has a number of other constraints applied upon him which means that the vast majority of farmers, the vast majority of farmers in Manitoba who have their backs to the wall as a consequence of interest rates, will not be helped, they will not be helped. Businesses, any small business that doesn't gross more than \$350,000 a year has very little prospect of ever having been a viable operation.

What's that going to do, Mr. Chairman, for implement dealers and for automobile dealers and those sorts of people, people that carry an inventory? Is anyone who carries a substantial inventory going to be grossing less than \$350,000 a year? No, very few, very few. Mr. Chairman, this government is going to get thousands of applications and you are going to have thousands of disappointed people because the promises are already being broken.

The Minister of Finance tries to tell us now that it's because he can't afford those sorts of things. They knew that before the promises were made. They even continued to put things into the Throne Speech, Mr. Chairman, saying that they would be done. There's no provision made for it. They now find themselves in that position of having already committed more money than they can afford but yet they're falling short of their promises.

Well, Mr. Chairman, I think they've created a difficulty for themselves and it's going to be interesting to see how they get out of it. The Minister of Finance still persists in saying that his method of presenting his

expenditures to the Legislature are accurate and are a proper portrayal of the actual spending that the government is going to do. Mr. Chairman, it simply isn't so.

We found out last night, for instance, during the discussion of the Estimates of the Minister of Natural Resources that there's another promise for which no provision was made in the budget. How many more of those promises have been made and the money isn't there to carry them out?

Now this looks very good in the first year because that 14.4 percent spending figure really caught on. I mean, the government got a big headline in one of the papers, 14.4 percent; that was in the Sun, the Winnipeg Free Press, the editorial writers even fell for it, 14.4 percent. But the trouble was, Mr. Chairman, the Minister shouldn't have cut those figures in this year; he should have waited until the fourth year and that's when he cut them.

I hear from the Member for Wolseley that we somehow made some change in the presentation of the figures in our fourth year. I think, Mr. Chairman, she should either substantiate that or at the very least go and check the figures and see that that's not the case. I'm simply telling the Minister, Mr. Chairman, that had he saved this little sleight of hand for his fourth year, he could have shown a much smaller level of spending if that's what he wanted to do. I'm not sure, Mr. Chairman, that they really even want to show that, but in this case they did seem to want to, because what you're going to find, Mr. Chairman, what this government is going to find, is that the statement that the Minister has made over the past few days about the poor budgeting of the previous government and the horrendous spending increases that took place during Supplementary Supply, those comments are going to come back to haunt him, Mr. Chairman, because he is going to encounter this very same thing except to a much greater degree in his own administration. So we'll come back to that later, Mr. Chairman, and deal with that. But it will take a year or two to catch up.

Mr. Chairman, I had hoped again that when the Minister of Finance spoke that he might have given us some indication of the rationale and of the thinking behind the government's call for lower interest rates because we all want to see lower interest rates. We all agree on the serious impact that high interest rates are going to have on people in the province. We recognize that you're falling short on your promises to help people out, but nevertheless, the government was calling for lower interest rates and I had raised the question with the Minister. What information did he have as to the impact of the implementation of his simple call for lower interest rates? If the government simply lowered the interest rates, what would happen? If they stopped spending their currency reserves to support the dollar, what would happen? Close to \$800 million U.S. spent in February alone to support the Canadian dollar, what would happen? We are told by some people that inflation would rise to 20 percent if the Canadian dollar drops to 75 cents.

Now I don't know, Mr. Chairman, whether that's true or not but there have been knowledgeable people say that. Mr. Chairman, the Member for Springfield says, they don't know. Well perhaps he's right, Mr. Chairman, perhaps they don't know; but they're not

answerable to the people of Manitoba; they're not answerable within this House. The Minister of Finance is and the government is. They have made recommendations, they've called upon the Federal Government to lower interest rates.

What I want to know, is that government simply posturing or do they know what they're talking about? Do they really know what they're talking about? Are they prepared to face 20 percent inflation, or not? Because all I see in the Throne Speech is not that they're prepared — (Interjection) — Well, the Minister of Finance says, why don't I ask Bill Davis? If Bill Davis was answerable in this House, I would ask him but he's not answerable here and he's not the government. It's the N.D. party that's the government in this province and that's why we're asking them. What's going to happen if we run into 20 percent inflation? Because I see in the Throne Speech, Mr. Chairman, the only reference to inflation is, that the government is going to attempt to shield people from the worst effects of inflation and they are having limited success, obviously; and secondly, they're going to call for lower interest rates, that's all.

I would like to know from the Minister of Finance what he really thinks government spending does in the area of inflation. Does the Minister believe that government spending is one of the factors that contributes to inflation, or does he not? Because certainly it has been the, I would say, the conventional wisdom at least, that government spending contributes to inflation. What does this government think about government spending? Do they see any necessity to control it or not?

I expect that before the year is out that their spending is likely to rise by, I would guess, 20 percent before the year is out. I would predict that their spending before the year is out will not be a 14.4 percent increase, but about a 20 percent increase.

Their revenues, Mr. Chairman, I expect, without some considerable modification to the tax structure, will probably increase by about 10 percent. Now with revenues growing at 10 percent and expenditures growing at 20 percent, what does the Minister of Finance think that is going to do to inflation? Is it going to have an effect that will tend to lower it, or is it going to raise it? If it's going to raise it, is he concerned about it? Is he going to play a part in this country of ours in working with the other Provincial Governments to try and develop a strategy to deal with it, or is he simply going to ignore it and say that we'll try and shelter people from the worst effects of it?

Mr. Chairman, I think that this government is beginning to fail the people rather quickly if they're not able to tell us what their positions are.

MR. SPEAKER: The hour being 12:30 the Committee will rise.

Call in the Speaker.

COMMITTEE REPORTS

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. STORIE: Mr. Speaker, your Committee has

adopted certain resolutions and directs me to report progress and asks leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable member for Flin Flon.

MR. STORRIE: I move, seconded by the Honourable Member for Wolseley that the report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. PENNER: Mr. Speaker, I would like to move adjournment but just before I do I'd like to make a brief announcement on government business for next week. In saying so, I appreciate the comment of the Opposition House Leader and I assure him that there will be regular consultations on the order of business.

But I would like to say that in response to a point raised by the Honourable Member for St. Norbert, at least for next week in any event until we've had a chance to consider, we will not be calling Government Bills until Wednesday and Friday and therefore on Monday we will be proceeding after the regular business to Committee and we'll go on with the debate on Interim Supply. So therefore I move, seconded by the Honourable Member for Fort Garry that we now adjourn.

MOTION presented and carried and the House adjourned and stands adjourned until 2:00 p.m., Monday afternoon.