



Second Session — Thirty-Second Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

31 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

Name	Constituency	Party
ADAM, Hon. A.R. (Pete)	Ste. Rose	NDP
ANSTETT, Andy	Springfield	NDP
ASHTON, Steve	Thompson	NDP
BANMAN, Robert (Bob)	La Verendrye	PC
BLAKE, David R. (Dave)	Minnedosa	PC
BROWN, Arnold	Rhineland	PC
BUCKLASCHUK, John M.	Gimli	NDP
CARROLL, Q.C., Henry N.	Brandon West	IND
CORRIN, Brian	Ellice	NDP
COWAN, Hon. Jay	Churchill	NDP
DESJARDINS, Hon. Laurent	St. Boniface	NDP
DODICK, Doreen	Riel	NDP
DOERN, Russell	Elmwood	NDP
DOLIN, Mary Beth	Kildonan	NDP
DOWNEY, James E.	Arthur	PC
DRIEDGER, Albert	Emerson	PC
ENNS, Harry	Lakeside	PC
EVANS, Hon. Leonard S.	Brandon East	NDP
EYLER, Phil	River East	NDP
FILMON, Gary	Tuxedo	PC
FOX, Peter	Concordia	NDP
GOURLAY, D.M. (Doug)	Swan River	PC
GRAHAM, Harry	Virten	PC
HAMMOND, Gerrie	Kirkfield Park	PC
HARAPIAK, Harry M.	The Pas	NDP
HARPER, Elijah	Rupert Island	NDP
HEMPHILL, Hon. Maureen	Logan	NDP
HYDE, Lloyd	Portage la Prairie	PC
JOHNSTON, J. Frank	Sturgeon Creek	PC
KOSTYRA, Hon. Eugene	Seven Oaks	NDP
KOVNATS, Abe	Niakwa	PC
LECUYER, Gérard	Radisson	NDP
LYON, Q.C., Hon. Sterling	Charleswood	PC
MACKLING, Q.C., Hon. Al	St. James	NDP
MALINOWSKI, Donald M.	St. Johns	NDP
MANNES, Clayton	Morris	PC
McKENZIE, J. Wally	Roblin-Russell	PC
MERCIER, Q.C., G.W.J. (Gerry)	St. Norbert	PC
NORDMAN, Rurik (Ric)	Assiniboia	PC
OLESON, Charlotte	Gladstone	PC
ORCHARD, Donald	Pembina	PC
PAWLEY, Q.C., Hon. Howard R.	Selkirk	NDP
PARASIUK, Hon. Wilson	Transcona	NDP
PENNER, Q.C., Hon. Roland	Fort Rouge	NDP
PHILLIPS, Myrna A.	Wolseley	NDP
PLOHMAN, John	Dauphin	NDP
RANSOM, A. Brian	Turtle Mountain	PC
SANTOS, Conrad	Burrows	NDP
SCHROEDER, Hon. Vic	Rossmere	NDP
SCOTT, Don	Inkster	NDP
SHERMAN, L.R. (Bud)	Fort Garry	PC
SMITH, Hon. Muriel	Osborne	NDP
STEEN, Warren	River Heights	PC
STORIE, Jerry T.	Flin Flon	NDP
URUSKI, Hon. Bill	Interlake	NDP
USKI, Hon. Samuel	Lac du Bonnet	NDP
WALDING, Hon. D. James	St. Vital	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, 8 December, 1982

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

Return to Order No. 9

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Mr. Speaker, I beg leave to file an answer to an Order for Return. This was an Order for Return dated June 7, 1982 on the motion of the Honourable Member for LaVerendrye, No. 9.

MR. SPEAKER: Notices of Motion . . .

INTRODUCTION OF BILLS

HON. W. PARASIUK introduced Bill No. 4, The Manitoba Oil and Gas Corporation Act - Loi sur la société Manitobaine du pétrole et du gaz naturel. (Recommended by Her Honour the Lieutenant-Governor), and Bill No. 5, The Surface Rights Act - La loi sur les droits de surface. (Recommended by Her Honour the Lieutenant-Governor).

HON. B. URUSKI introduced Bill No. 6, An Act to amend The Pesticides and Fertilizer Control Act.

HON. R. PENNER introduced Bill No. 10, An Act to amend The Real Property Act.

HON. J. BUCKLASCHUK introduced Bill No. 13, An Act to amend The Business Names Registration Act.

HON. R. PENNER introduced Bill No. 14, An Act to amend The Elections Act - La loi modifiant la loi électorale.

HON. S. USKIW introduced Bill No. 15, An Act to amend The Highway Traffic Act.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach Oral Question Period, may I refer the attention of honourable members to the gallery where we have seven students from the Marymount School under the direction of Mrs. McCormick and Mrs. Janzen. This school is in the constituency of the Honourable Member for St. Johns.

There are 30 students of Grade 9 standing from the John Henderson High School under the direction of Mr. Earl. The school is in the constituency of the Honourable Minister of Finance.

On behalf of all the members, I welcome you here this afternoon.

HANSARD CLARIFICATION

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. E. HARPER: I rise on a privilege. I just want to make a correction in Hansard. In the sixth paragraph, Page 17, in the line where it says, "In fact, Mr. Speaker, we are distinguished from other Native groups," I want to change that Native groups to ethnic groups. Thank you.

MR. SPEAKER: The honourable member does not have a point of privilege but the correction is duly noted.

ORAL QUESTIONS

Manitoba deficit

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, I have questions for the First Minister. Mr. Speaker, in view of the fact that the Minister of Finance said yesterday in reporting Manitoba's greatest ever deficit of approximately \$500 million and in commenting upon that deficit said, "The deficit is in fact appropriate and desirable to sustain and stimulate economic activity." Later on in that same statement on that same page said "that the alternatives to a larger deficit, drastic expenditure cuts or substantially higher taxes were definitely not what the economy needs at this time." Can the First Minister advise the House of the size of the deficit, in excess I presume of 500 million, that he and his Ministers are working on at the present time if they are to follow the guidelines laid down by the Minister of Finance yesterday?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, we are not intending to attempt to increase the deficit contrary to what the Leader of the Opposition has indicated beyond the present levels. It will depend a great deal on what happens pertaining to decreased revenues. If revenues continue to decrease, unfortunately, deficits not only of Manitoba but all other jurisdictions in Canada will likely be increasing. If there is an economic recovery and we see some restoration of stability in the economy, I would anticipate that the deficit would substantially decrease, not only in Manitoba but in Saskatchewan, British Columbia, Canada, and all other jurisdictions in the country.

HON. S. LYON: Mr. Speaker, to be more precise, for the fiscal year beginning April 1, 1983, can the First Minister tell the House now if he and his colleagues are preparing Estimates of Expenditure and Estimates of Revenue which will be guided by those guidelines that I have just read from the Minister of Finance's statement yesterday; namely, no higher taxes and no

drastic expenditure cuts and if so, how much more than \$500 million are they going to be budgeting for next year's deficit? Will it be \$750 million or will it be a billion dollars?

HON. H. PAWLEY: Mr. Speaker, I wish to advise the Leader of the Opposition, members across the way and all members of the House that we are presently working on Estimate Review for the forthcoming fiscal year '83-84. In the process of preparing the projections, of course a great deal depends upon forecasts. Forecasts change from time to time as to the possibility of economic recovery. The problem basically has not been one of increased costs, a 2 percent margin, and I would trust that we could bring that down to no increase by way of expenditure cost. The problem has been one of decreasing revenues and what occurs re the next fiscal year pertaining to deficit will depend upon the extent of recovery or lack of recovery - world, North American, Canadian.

HON. S. LYON: Mr. Speaker, in view of the fact that from studies we have done, it would appear that the actual expenditures for the Province of Manitoba this year will be in the area of 18 percent to 20 percent over those for the previous fiscal year. Will the First Minister confirm that the guidelines expressed by the Minister of Finance yesterday, that is no increased taxes, no drastic cuts in expenditures, would result then in 1983-84 in a fiscal deficit of approximately \$750 million to a billion dollars?

HON. H. PAWLEY: Mr. Speaker, it would be at this stage irresponsible for me or indeed for the Leader of the Opposition to participate in that kind of speculation. When we have concluded our Estimate Review, when we have concluded our Budget Analysis, when we have a fuller picture insofar as economic recovery we will be in a better position, Mr. Speaker, to project the deficit re fiscal year '83-84.

We are all, of course, quite interested in ensuring there is a proper balance between ensuring that existing levels of service to Manitobans be as well maintained as is possible, decreasing the extent of any potential tax increases. There, again, it would be speculative for me to comment on what would occur in that respect at this stage, and also to do our best along with all other jurisdictions, leaving aside party, Mr. Speaker, from Social Credit to Parti Quebecois to Conservative to Liberal in Canada are all doing their best to walk this careful tightrope given the present economic recession. The situation in Manitoba is not unique, it is quite comparable to what is occurring in every other jurisdiction in Canada.

HON. S. LYON: Mr. Speaker, can we then have some confirmation from the First Minister that the statement made yesterday by the Minister of Finance does, in fact, represent Government policy when he said that "drastic expenditure cuts or substantially higher taxes were definitely not what the economy needs at this time?" Are those the policy guidelines that this Government is following as it draws up the Revenue and Expenditure Estimates for 1983-84?

HON. H. PAWLEY: Mr. Speaker, I would interpret cer-

tainly the words "drastic expenditure cuts" to be just that, expenditure cuts that would bring about a balancing in the Budget which no jurisdiction has been able to do including the jurisdiction immediately south of us which has talked at great length about the need for balanced budgeting.

Drastic decrease by way of expenditures to obtain a balanced situation re the finances of the province would mean a drastic cutback re health, post-secondary education and health services in Manitoba. We are not just dealing with small items here. We are talking in terms of drastic cutbacks which would have a very fundamental and a very damaging impact upon public services in Manitoba. As I indicated the other day, we certainly don't intend to undertake those kind of programs that will kick the crutches out from underneath those that are in need.

HON. S. LYON: Given the fact, Mr. Speaker, when this Government was elected, we long since ceased any hope of working toward a balanced Budget, can the First Minister give us some assurance, give the people of Manitoba some assurance and give the people who hold the paper of Manitoba in all parts of the world some assurance that this Government is working toward a budgetary deficit for 1983-84 that is no larger than \$500 million, which is the current projected deficit for this year, and if it is not going to be larger than \$500 million, what cuts in expenditure and what increased taxes can the people of Manitoba expect? Alternatively, if there will be no cuts in expenditure or increased taxes, will he give us a ballpark figure as to whether that deficit is being prepared on the basis of \$750 million or a billion dollars or more? A very simple question.

HON. H. PAWLEY: Mr. Speaker, what the Leader of the Opposition is asking me as Premier of the Province of Manitoba is a question that if addressed to any other Premier in Canada, he would receive the same response, even eight Premiers that are of the same political stripe as the Leader of the Opposition. The uncertainty re the economy at the present time prevents one from honestly indicating at this particular stage as to what the deficit will be in '84-85. Canada can't do that; British Columbia can't do that; Saskatchewan can't do that. Obviously, Saskatchewan can't because of the information we just received two or three weeks ago about the unprecedented deficit in the Province of Saskatchewan and throughout the Maritimes, Quebec and in Ontario. We don't claim to be superhuman in the Government of the Province of Manitoba. We are very very human and we can only proceed on the same basis that any other jurisdiction can proceed with at this time, with prudence, and at the same time as we proceed with prudence to ensure that we continue with the retention of reasonable levels of human compassion for those that are in need.

HON. S. LYON: Mr. Speaker, I want to assure the Honourable First Minister that there are no misapprehensions on this side of the House about any superhuman instincts on that side of the House. In fact, we'd like from time to time to see some manifestations of human instincts, never mind superhuman ones.

The second portion of the statement of the Minister

of Finance yesterday, Mr. Speaker, dealt with the appointment of Professor Barber to examine and compare Manitoba's present system of reporting the province's accounts, and to use the words of the news release that reached us all today "and to suggest, from an economist's perspective, ways in which it could be made more informative and meaningful to both legislators and taxpayers." The Minister in the news release said "... he hoped some suggestions could be made before sittings resume in the New Year, so that it might be possible to apply some improved procedures in presentation of the 1983 Budget and Estimates."

Mr. Speaker, given that statement from the News Service, which is controlled out of the Premier's Office, I ask the First Minister, will he give this House an undertaking that no change in the method of presentation of Estimates or in the method of presentation of the financial statements of this House will be made unless the Public Accounts Committee of this House has been called to scrutinize the changes in order to avoid any suggestion that this Government would be changing the benchmark methodology of reporting on the finances of the province so as to escape comparisons with a presentation system which is presently followed and which is understood by most taxpayers and most of the financial people in Canada and abroad?

HON. H. PAWLEY: Mr. Speaker, we'll follow whatever has been the precedent that has been followed in past times when matters such as this have been dealt with, both during the term of the administration of the previous Government, the practice they pursued, and also during the time of a former Premier of this province, Premier Duff Roblin. We'll follow whatever precedent was the one that was followed by the previous administration as well as the administration of Duff Roblin in regard to this.

HON. S. LYON: Mr. Speaker, in that case then I presume that the First Minister is saying to the House, and more importantly to the people of Manitoba and the people who hold the paper on the credit of Manitoba, that the Provincial Auditor of this province will be fully consulted and his approval will be sought, as well as the Public Accounts Committee of this Legislature, before this Government attempts, as is its wont, to try to "cook the books" of the province before the next Session of the Legislature.

HON. H. PAWLEY: Mr. Speaker, since we haven't received any recommendations from Professor Barber and since I don't know at this point what kind of recommendations will be made and what kind of proposals the Government will approve to proceed with, it would be improper on my part to attempt to speculate in a response to the Leader of the Opposition.

HON. S. LYON: Mr. Speaker, is the First Minister saying it would be improper on his part to consult with the other members of the House before any fundamental changes are made on the reporting system for the expenditures and the revenues of this province?

HON. H. PAWLEY: Mr. Speaker, if the Leader of the Opposition would have listened carefully to my words a few moments ago, I said that we would follow quite gladly the precedent that was followed by the Leader of the Opposition while he was Premier of the Province of Manitoba, as well as another well-known Conservative Leader and Premier, now Senator, Duff Roblin.

HON. S. LYON: Mr. Speaker, earlier this week the reeves and mayors of 22 rural municipalities and towns in southern Manitoba met and determined as a group that they would follow, with respect to municipal expenditures in their areas, the policy of 6 percent and 5 percent for school boards, hospital budgets, etc. I would like to have some indication from the First Minister of the province, Mr. Speaker, as to whether he supports this initiative that has been taken by 22 of the mayors and reeves in southern Manitoba to help way-lay the load on the taxpayer which is being caused by current economic conditions, by taxes imposed by my honourable friends opposite and other conditions.

HON. H. PAWLEY: Mr. Speaker, the Leader of the Opposition made reference to taxes being imposed. I think we made it very very clear, if the Leader of the Opposition is referring to, and I suspect he is, to the Post-Secondary Education and Health levy, that we intend to compensate the municipalities in respect to that. So there ought to be no misleading, I'm sure innocently, of municipal people in the Province of Manitoba by the Leader of the Opposition.

In regard to whether or not I support, I would have liked to have an opportunity to discuss with the municipal people who approved that resolution of 6 and 5 whether or not they intend to propose that in pursuing that objective, and I assume by implication from what the Leader of the Opposition has indicated that the Provincial Government do likewise, if that would include reducing grants to 5 percent for the coming year to municipalities and to school divisions, if it's an overall picture or whether it's a cake without the icing.

HON. S. LYON: Well, Mr. Speaker, I would like to get an answer to the first question if possible and I'm sure that the municipal people in Manitoba who have been told that they are going to be reimbursed for the payroll tax inflicted by this government, but who have not yet received a nickel, and the hospital boards and school divisions who may have - it's been hinted that they are going to get the money back but they haven't seen anything yet - I would like some indication from the First Minister as to whether or not he supports this initiative by the mayors and reeves in southern Manitoba and if not, what guidelines are he and his Ministers offering to the municipalities, the school divisions and the hospitals with respect to cost increases that will impact directly on municipal taxpayers in Manitoba this year?

HON. H. PAWLEY: Mr. Speaker, insofar as the municipalities are concerned, I would look forward to us meeting with the municipalities. Any municipality that obviously attempts to restrain their costs we support. If they are attempting to do that on their own internal basis without affecting basic important services to the

ratepayers in the municipality, that is a proper and a positive move, indeed on the same basis that this Provincial Government is attempting to do the very same during these very severe and difficult times.

Mr. Speaker, what I made reference to though earlier is whether or not - and this is the subject of discussion as to the levels of support that the municipalities anticipate they will require from the Provincial Government in order to achieve that particular objective - I think it's important that we do have those kind of discussions with the municipalities and certainly we intend to do so with those that are interested.

HON. S. LYON: Mr. Speaker, in the area in question, given the fact that large employers in that area, such as CSP Foods, are laying off people and cutting wages of people on staff, given the fact that one of the largest printing enterprises in that area is also having to cut wages of staff, and these are private-sector people who pay the taxes in Manitoba, would the First Minister not agree that he should be giving more than general support of the nature just expressed by him to the reeves and to the mayors in their endeavour to ensure that the public-sector wages with respect to municipal organizations, hospitals, schools and so on, do not go leaps and bounds beyond what the tax-paying public can afford to pay?

HON. H. PAWLEY: Mr. Speaker, I'm not quite certain whether the Leader of the Opposition is proposing that we interfere or intervene in respect to existing collective bargaining agreements. If that is what the Leader of the Opposition is proposing that we do during the upcoming Session of the Legislature, that we pass legislation as indeed Ontario is doing and I believe Nova Scotia, my answer to him, no, we do not intend to introduce legislation in this Legislature to do what is being done in Ontario and Nova Scotia.

HON. S. LYON: So, Mr. Speaker, I can take it then that if one of the hospitals in that area, as is reported to me, is planning on a 9.4 percent increase in wages alone for hospital workers in that area when the municipalities are attempting to keep things at 6 and 5 that the First Minister, given his previous remarks, would support that wage increase or perhaps even larger ones?

HON. H. PAWLEY: Mr. Speaker, I would just like the Leader of the Opposition to hear clearly what I said. I indicated that we were not interfering in the collective bargaining process: neither am I supporting the giving of a wage increase of 9.4 percent or am I indicating that if indeed such an increase is given that this Legislature would intervene by way of legislation to roll back such an increase. There is no inclination on the part of this Government to do so.

HON. S. LYON: A final question then, Mr. Speaker. Will the First Minister give at least some tittle or semblance of moral support for these publicly elected officials who are trying to do something to combat the current situation that all Manitobans face, even though his Government hasn't gotten around to facing the same problem?

HON. H. PAWLEY: Mr. Speaker, certainly from the

announcement by the Minister of Finance yesterday, the Leader of the Opposition must be quite conscious of the fact that the Provincial Government as well as the Municipal Governments in Manitoba are facing the same problem. We're facing a problem of decreasing revenues. We are confronted with a problem of economic instability due to the international recession. The province and the Municipal Governments do indeed suffer from the same kind of a problem. We are all facing that problem together and municipalities in the province are proceeding in different ways to deal with that particular problem. I am satisfied that the example that the Provincial Government is providing is being reflected by most municipalities in the province; namely, to minimize any tax increases and at the same time to retain basic services to the ratepayers in the municipalities and at the same time not to permit deficits or debts of municipalities to go beyond any reason. That is what the Provincial Government is doing and most of the municipal people in this province are sound managers. At the same time, they have compassion insofar as those in need and they're attempting - and the Minister of Municipal Affairs could further comment in respect to this - but they are doing their utmost to face the difficult challenges that they're confronted with today.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

Spending control measures

MR. A. RANSOM: Mr. Speaker, my question is for the Minister of Finance. Yesterday in his statement, the Minister outlined some cost-saving action that might be taken by his Government, some control measures. I wonder if the Minister of Finance would inform the House as to the size of the savings that he expects to flow from these measures.

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Mr. Speaker, when we look at the matter of cars and the increase in the number of cars, it would depend on how many would have come without the intercession of the new policy. I don't expect that it will be a significant amount of money in that area. When it comes to highways and drainage, indeed over a period of 12 months there could be many many tens of millions of dollars saved. When it comes to . . .

MR. SPEAKER: Order please, order please.

HON. V. SCHROEDER: Mr. Speaker, one of the problems that we have when we have a schizophrenic Opposition who are saying on the one hand decrease taxes and on the other hand when we suggest ways of cutting costs, they start hollering about oh, poor southern Manitoba, they can't have it both ways and, unfortunately, none of us can. What we are doing is attempting in the best way possible to discover savings in public expenditures for the balance of this year, but the paper indicates very clearly that it is not only for the balance of this year, but indeed for next year as well. Because it is for next year as well, there

are, I expect, many tens of millions of dollars that can be saved in those kinds of projects, the capital intensive projects, that we would hope to be able to convert into labour intensive projects in order that we can provide more employment for people in Manitoba without creating a larger deficit.

MR. A. RANSOM: Mr. Speaker, I'll be a little more specific then. Can the Minister of Finance tell us how many millions of dollars he expects to save through these measures in fiscal 1982-83?

HON. V. SCHROEDER: Mr. Speaker, I wouldn't want to give a specific estimate at this time. At the end of the year, we will see when the final statement for year-end comes in what had happened. There appears to be a belief by my friends on the other side that there will not be any savings. I believe that there will be and we will see when that statement comes.

MR. A. RANSOM: Mr. Speaker, the Quarterly Report which was tabled by the Minister shows an estimated \$498 million deficit being faced this year. Normally, in the projection of the deficit made at this time, there is a provision for an amount of money which is expected to lapse before the end of the year; in other words, not be spent. I wonder if the Minister would advise the House how large a lapse factor is built into the estimated deficit of 498 million.

HON. V. SCHROEDER: Thank you, Mr. Speaker. I see the Member for Turtle Mountain has the report before him and I'm sure that he can read as well as we can. I would point out, however, that one of the difficulties we have faced this year with respect to lapsing is the fact that we have insisted that each department on its own, without increases in funds to it, was asked to swallow the Health and Education Levy which was imposed after the Spending Estimates were prepared for the various departments and most departments are achieving that fairly well.

MR. A. RANSOM: Mr. Speaker, precisely because I can read, I find no place in the Quarterly Report where the lapse factor is mentioned and that has been the practice in the past, that it has not been included, but it was discussed in Public Accounts as an additional factor that might be included in the Quarterly Report. There is a factor used in the calculation and surely the Minister of Finance, faced with a deficit of 498 million, knows how many millions of dollars are expected to lapse. I am simply asking him, Sir, what is that figure?

HON. V. SCHROEDER: Thank you, Mr. Speaker. In view of the fact that it is not in the report, the number is \$10 million.

MR. A. RANSOM: Mr. Speaker, I congratulate and thank the Minister for that very direct answer. I hope it's an indication of things to come from the Minister.

Can he now advise the House, in view of the increased deficit, what he expects the borrowing requirements, the revised borrowing requirements, of the Government to be for this fiscal year and is there sufficient authority already approved by the Legislature?

HON. V. SCHROEDER: The additional borrowing will be somewhere in the vicinity of \$150 million and for most of it there is borrowing authority, but I will take the question as notice and advise the Member for Turtle Mountain as to specifically the amount of authority that there is.

MR. A. RANSOM: I trust then, Mr. Speaker, that the Minister will get that information within the next few days, because it's possible that he might have to seek additional borrowing authority from the Legislature. In view of the fact there is a \$498 million deficit projected this year and a quick calculation on expenditures and revenues shows that if expenditures increase next year at the same rate as they appear to be increasing this year and revenues do likewise, there will be an additional \$360 million added to the deficit next year if the Government does not raise taxes or cut spending as was outlined would be their policy yesterday by the Minister of Finance. Does the Minister of Finance anticipate any problem with borrowing in the range of \$500 million this year and what is likely to be a very much larger figure next year? Does he anticipate any problem with that in the short term or if that magnitude of borrowing was to continue for, say, three or four years?

HON. V. SCHROEDER: Mr. Speaker, I wouldn't want to speculate that far into the future. What we were faced with about this time last year was economists, federal officials, other Finance Ministers, investment dealers, etc., telling us that there was a corner that was going to be turned in 1982 and, as we all know, it didn't come in Canada. It is hard to say what we are going to be looking at for next year at this time.

I will be going to a Finance Ministers' meeting next week at which time I trust we will be receiving - I know we will be receiving - updated figures from the Federal Government which may give us a little better idea as to our revenues for next year. As the Member for Turtle Mountain knows, more than 30 percent of our revenue comes from transfer payments, a large portion of it comes from both corporate and personal income taxes, both of which are basically estimated, not by the provinces but by the Federal Government, so that well over half of our revenue projections come out of Ottawa and not out of here and we do wait for some time after this time of the year until we find out exactly what our revenue will be.

Until we know what our revenue will be, I would suggest that there is no purpose in speculating as to the size of the deficit for next year or the year after for the difficulty or ease of borrowing certain amounts of money.

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. G. FILMON: Thank you, Mr. Speaker, my question is to the Honourable Minister responsible for the Environment. I wonder when the Minister will be releasing the report on the lead-in-soil removal program in the Weston area, a report I understand has been in the Minister's hands for approximately a month.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. J. COWAN: There is a policy within the Department of the Environment, or the Departmental Management Division now, excuse me, Mr. Speaker, that any report of that nature is released within two weeks of its forwarding to the Minister automatically, so that it takes the discretion for releasing a report of that nature out of the political arena and a report like that should not be stopped. So I will determine if in fact it has been forwarded up to me, and if it has been forwarded up to me within the past month I will get it to the member as soon as possible if he wishes to see it.

MR. G. FILMON: Mr. Speaker, a supplementary to the same Minister. I wonder, in view of the fact that public hearings were held May 4th, 5th and 6th of this year, when can we expect the decision of the Clean Environment Commission with respect to air emission limits for the INCO smelter at Thompson to be released.

HON. J. COWAN: The Clean Environment Commission, of course, has made a report; that report has been made public and has been reported in the media as much as most likely two or three months ago. I can certainly have a report forwarded to the Member for Tuxedo if he so wishes, or I can reference him to the appropriate newspaper articles which were of a public nature.

MR. SPEAKER: The Honourable Minister of Housing.

HON. J. STORIE: Mr. Speaker, with respect to the question that was asked me by the Honourable Member for Emerson yesterday referring to the RTM plant in Sprague. I can say now that the operation at Sprague, which is one of the two that survived the last administration, is going to be recommended to be closed in early 1983. The seven people that were employed there recently, three of those people are currently working on a short-term job creation and their jobs have been terminated. Other than this short-term work that they're doing, the other four will be receiving notice when the recommendation is finally passed through the MHRC Board.

The closing of the operation is in part a responsibility of the fact that CMHC no longer has a remote program; it is now rural and northern, and also due to the fact that the need as it is being assessed for family housing, the type of housing that was being produced there, is much more critical in areas a good distance from that part of the province.

MACC loans renewal - interest rate

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker, my question is for the Minister of Agriculture. Under loans made by MACC, the borrowers have the opportunity and requirement to renew every five years at a fixed interest rate. Can the Minister confirm that the interest rate for a five-year renewal of an MACC loan to one of its farm customers will be, as of December 15th, fixed at 12.5 percent?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, I'll take the question as notice.

MR. D. ORCHARD: Thank you, Mr. Speaker. I can save the Minister the trouble because I checked yesterday and that is the renewal rate. What I would like to ask the Minister of Agriculture, Mr. Speaker, is will he allow customers of MACC, farm customers of MACC, who had to renew their five-year mortgages in April of this year at 17 percent fixed for five years, the opportunity to renew currently at 12.5 percent?

HON. B. URUSKI: Mr. Speaker, tongue-in-cheek, if the honourable member had all the answers since before he asked the questions, he shouldn't be asking me those questions, but I will take the question as notice. In all seriousness, I believe there may be some legal implications to the contracts that have been signed. I will take the question as notice and get the answer for him.

MR. D. ORCHARD: Mr. Speaker, when the Minister is taking that question as notice would he take into consideration that a 17 percent, five-year renewal is very onerous on the viability of those farm operations, and would he also take into consideration that he has a much touted Interest Rate Relief Program that he says will help out farmers whose farming operations are jeopardized by onerous interest rates, such as 17 percent, and give every opportunity to give those customers of MACC the opportunity to renew at 12.5 percent?

HON. B. URUSKI: Mr. Speaker, the honourable member also knows that when the loans were made - that's why I wanted to take the question as notice - that the borrowing rate that the Province of Manitoba was under at the time, the rate was set at that percentage and those monies flowed that way. They are, in fact, related to in the figures that my honourable member spoke about in the deficit of the Province of Manitoba. So, Mr. Speaker, in all seriousness to the honourable member, I will take the question as notice. I recognize the situation, and we will examine what the implications of the suggestions are.

MR. D. ORCHARD: Mr. Speaker, one final question. Will the Minister provide an answer to this question he's taking under advisement prior to the termination of this mini-Session and prior to the 15th of December?

HON. B. URUSKI: Mr. Speaker, the Honourable Member for Pembina just suggested that the Province of Manitoba and the people of Manitoba spend greater amounts of money, while his Leader just indicated that the deficit was galloping and running out of course. So, Mr. Speaker, they can't have it both ways, and we understand that.

Mr. Speaker, we understand that the farmers of Manitoba and the people of Manitoba are going through very difficult times. Notwithstanding that, Mr. Speaker, the Leader of the Opposition has spoken and the honourable member has contradicted him; one

saying, look, spend more, and the other indirectly saying spend less because you're spending too much. What do they want, Mr. Speaker? I will take the question under advisement and try and get him the information as soon as I can.

MR. SPEAKER: Order please. Order please. Order please. The time for question period has expired.

ORDERS OF THE DAY

THRONE SPEECH DEBATE

MR. SPEAKER: On the proposed motion of the Honourable Member for Riel and the proposed amendment thereto by the Leader of the Opposition, the Honourable Minister of Housing has 25 minutes remaining.

The Minister of Housing.

HON. J. STORIE: Thank you, Mr. Speaker, I appreciate this opportunity to finish off the discussion I had begun yesterday.

I'd like to start where I left off and I was talking about the difference between the atmosphere and the feelings of northerners in these difficult circumstances in comparison to what they could be. I said yesterday that while there was concern and uncertainty about the future in Northern Manitoba and that those concerns and uncertainties were rational concerns, the element that was missing in Northern Manitoba, the element that many might expect to be there but isn't there, is the element of despair. I had alluded to the fact that there was no despair in Northern Manitoba because of the feeling on the part of many northerners that this Government is both listening to them and reacting to their needs in a positive, a responsible and a conscientious way.

I mentioned the fact that many Ministers have travelled to Northern Manitoba. In fact, almost all of the Ministers at one time or another have visited parts of my constituency and the constituencies of my colleagues in that part of the province. Their presence there was welcome, and their willingness to listen was welcome.

Mr. Speaker, I said as well that the feeling on the part of northerners is not one that is based on the image of this Government, it is not necessarily based on media reports, it is based on the practical policies, the programs that we have implemented. I would like to take a few minutes to mention a few of the things that have indicated that this Government is sensitive to the needs of northerners.

Mr. Speaker, just to take a couple of small examples. When the Government introduced the Interest Rate Relief Program back last spring, they had made special provisions for northern homeowners. Mr. Speaker, there have not been many occasions over the last five years when programs announced in this Legislature have made special provisions for northerners. It may not have amounted to much. It amounted to a difference of \$25, an additional \$25 per month that might be eligible to someone who was having trouble meeting their mortgage commitment. It may not be that significant amount of money, but it's the principle that's involved - the principle and the recognition of the fact

that we face certain adversities in Northern Manitoba which others don't face.

There's another example, and that was when the Department of Education announced additional relocation grants available to those people who live in other than major southern urban centres. The grant, I believe, amounted to some \$200, and it's not a significant amount in terms of the overall expense that a student might incur in travelling from Wabowden or some other northern point to come to the University of Manitoba, but it's the recognition of the fact that there are inequalities, that inequalities exist. We haven't glossed over those, and Manitobans in the northern part of the province recognize that and appreciate it. Those are two small examples.

I'm going to list some others, some concrete things that have been accomplished and concrete examples of the recognition of those differences. We could talk about the job creation. Mr. Speaker, the Department of Labour, the Department of Northern Affairs have spent millions of dollars in creating projects that are deemed to be worthwhile by the communities that those jobs are directed at. The communities feel that those projects are worthwhile. They're doing projects in the community, completing community projects, developing community assets that are valuable and worthwhile, and northerners appreciate that.

This Government has fulfilled its commitment to northern workers to establish workers' advisers offices, to improve the Workers Compensation system. It has fulfilled those commitments and the workers in Northern Manitoba, the people that are involved in the mining industry and the forestry industries there, appreciate those benefits. We have a renewed interest in maintaining and preserving the natural resources that make the northern part of this province a rich and attractive place to live. We have a reforestation program; we have a nursery that is being established near The Pas. Those are concrete examples of our commitment to Northern Manitoba.

Mr. Speaker, within the Department of Housing we have recently held a preconference planning session in Flin Flon. We, for the first time, got together all the major actors in the provision of housing to remote and northern parts of this province. We brought together the Department of Indian Affairs, the tribal councils, the Manitoba Metis Federation, CMHC, MHRC, interested groups, community councils - representatives from the Northern Association of Community Councils. It was a first because it pulled together groups who had over the last 20-30 years provided housing individually through their own departments on an ad hoc basis without any co-ordination of the policies or the delivery mechanisms that make the delivery of housing effective and cost efficient.

There was a recognition after the first number of hours of the convening of that conference that there are things we can do to improve the efficiency of delivery. There are overlaps, there are bottlenecks, that each of us in turn as a promoter of programs and a deliverer of programs can do something about, and in a sense it reminded me of the process that occurred in Portage at the Economic Summit; a recognition that we are not only the agents who are going to solve the problems, but in some senses we can and we are the bottlenecks to progress, that we can do things at our

own shops to improve the delivery of housing, that we can do things with each other to improve the efficiency and to improve the kinds of housing that we are delivering.

Mr. Speaker, that conference was well received by all representatives. It was particularly appreciated by northern representatives who attended and I have had nothing but good feedback on that initial meeting and we will carry that through to establish the needs, the perceived needs and the real needs, both in terms of housing and how housing fits into the larger community context of community development. We will be working hard with northerners to ensure that the next four years improve the delivery of housing, improve the standards of housing in the north.

Mr. Speaker, the Minister of Northern Affairs announced not too long ago the establishment of a Treaty Land Entitlement Commission, a commission that is long overdue and a commission which at long last is being taken as a sign of a commitment to fulfil promises made in the past. It is an important step and it is a step which is seen with a certain degree of jubilation, I suspect, on the part of many of our Native northerners.

Mr. Speaker, we saw the signing of a Special ARDA Agreement, a special two-year agreement. We had two or three weeks ago, in November, the signing of a new Northlands Agreement, a \$186.2 million joint commitment to the development of the northern part of this province. We could spend a bit of time, Mr. Speaker, on that Northlands Agreement. The last Northlands was initiated in 1975 and I believe signed in 1976 or early 1977, and perhaps they used the signing of the new agreement as an indication as well, and something that northerners well recognize and has been often stated by my colleagues and myself, that this Government is committed to the idea of cooperative federalism; that we intend to work with whomever to ensure that the needs of the people of this province are met.

The Northlands Agreement is going to provide the much needed impetus to create jobs, to provide for the training that northerners require and deserve and I think it's going to provide a certain amount of stability and a certain amount of comfort to the people who live in particularly the remoter parts of this province. It is seen as something that can give them direction and give their communities direction until 1987.

We could have gone on and patched up the Northlands Agreement here and there and made do with the kinds of commitments we could get from time to time from the Federal Government, but a five-year agreement and the signing of that five-year agreement is a significant achievement. It's an achievement because the communities can now plan. They can now plan for their own development; they can plan in a long-term sense for the training of individuals in those communities and those are the two significant things that northerners want most. It can't be overlooked.

Mr. Speaker, those are just a few of the things that northerners have noticed, that northerners have appreciated in terms of the commitment of this Government to Northern Manitoba and there have been other things. There were increases in the Northern Patient Transportation Program which has not gone without notice in Northern Manitoba and there have

been numerous other things which from time to time this Government has seen fit to pass through this Legislature and through the various departments to improve the conditions in Northern Manitoba. It is respected and it is appreciated by northerners. I think that is part of the reason why, while there are those clouds hanging on the horizon, there is no despair and there is a recognition of our commitment to Northern Manitoba.

Mr. Speaker, moving away from the northern part of the province in particular, moving to the more general, we have heard over the last number of days and particularly after the delivery of the tabling of the Quarterly Report, a lot of crying about the deficit, about the state of the economy. Mr. Speaker, it's been pointed out time and time again - the Conference Board has confirmed it - that this province relative to other provinces is in pretty fair shape.

Mr. Speaker, we are not saying that we have done all we wished we could do. Clearly we wish we could do more; clearly we would like to be able to do more, but circumstances being what they are, we have been unable to do more. We have done what we could to help those who most needed our help. We don't make any apologies for that. The people of the province have not demanded any apologies; the people of the province recognize more than most that we indeed have done the best that was possible.

Mr. Speaker, we could take for a minute just one aspect of that Conference Board Report and that was the fact that retail sales in Manitoba are maintaining a high rate despite what is happening in other provinces. We could tie that in and we could ask ourselves why is that the case? Why is that the case that our retail sales are up there? Why is that? We recognize that if we don't have retail sales that means more business closures. That means the people that are working now for retail outlets across the province don't have jobs. It means more layoffs. The fact that the retail sales level is at the level it's at is a significant one in terms of our economy and we have to try and pinpoint some of the things that are happening that maintain that level.

Mr. Speaker, just a few things that we could mention that have kept dollars in the pockets of consumers, which is what really relates to retail spending. That's why it is happening. We could talk about the tuition freeze that kept money in the students' pockets; we could talk about rent controls that kept money in the pockets of tenants; we could talk about the transit freeze that kept money in the pockets of those people using the transit fares; we could talk about the elimination of the ad valorem tax on gasoline; we could talk about the minimum wage increase, to put more money in the pockets of our low-income earners; we could talk about the increased social allowances that puts more money in the pockets of those people.

The bottom level of our income groups, Mr. Speaker, spend their money. They don't invest in the stock market; they invest in the retail outlets of Manitoba, they keep the money at home. Mr. Speaker, we have said time and time again that the people of this province deserve to have their standard of living maintained. All of these measures that I have mentioned have been measures to encourage and to keep money in the pockets of the average person.

There are other things. The fourth year of the Hydro rate freeze keeps money in the pockets of Manitobans; the Pensioners' School Tax Assistance puts money back into the pockets of our pensioners; the expanded CRRP grants puts money back into the pockets and creates employment. Mr. Speaker, we have done any number of things to keep the low-income earner in this province going. Mr. Speaker, whether we like to believe it or not, it is the average person that fuels this economy. We can throw up our hands and we can say there is nothing we can do. We'll cut spending but, Mr. Speaker, all of those dollars in every one of those instances that I've mentioned have been returned to the Province of Manitoba and they have kept the economy going. They've kept our retail sales levels where they are and, do we get any thanks from the members opposite? No.

Mr. Speaker, there is one other factor. The members opposite like to ignore, they like to downplay it and I believe it hurt them during the last election and I don't want to bring up that old bad memory. However, this is one factor that I think has been overlooked probably by members opposite, perhaps intentionally, and that is the fact that the population of this province has increased by 10,000 people. Mr. Speaker, it isn't, in the terms of the Leader of the Opposition, riff-raff floating back to the province. The fact is the last time, Mr. Speaker, that there was this kind of dramatic increase in the population of the province was back when we had an NDP Government in 1974.

Mr. Speaker, the fact is that of the 10,000 people that are moving back into this province, most of that increase is in families. Mr. Speaker, who does the spending in this province? It's families. So the population that's coming back into Manitoba is creating to that retail sales level. It goes along with all of the other measures which create retail sales and keep small business in this province going.

So, when we're looking at the Conference Board statistics and the Conference Board tells us we're not doing bad, maybe there's a reason. We would hate to attribute it to the Government but, maybe, just maybe, it's happening.

Mr. Speaker, it would be nice if we could predict with any degree of certainty what the next year or two years or five years would bring in terms of our economic recovery, in terms of a world-wide recovery. Unfortunately, Mr. Speaker, back in early 1981, in May, I believe I heard an economic forecast - it may have been from the Conference Board or it may have been from some other board that from time to time makes these announcements - and they were telling us then that economic recovery was around the corner, surely in the spring of 1982, then it was the fall of 1982 and then the spring of '83.

Well, Mr. Speaker, the economists are no longer making those bold predictions about when economic recovery is going to be here. Mr. Speaker, we, as Government, could not go on our own predictions necessarily or the predictions of other economists who are making those bold predictions about recovery. Mr. Speaker, all we can do is live within our means and do the best we can, both with our revenues and in terms of what kind of expenditures need to be made in the best interests of the public. Mr. Speaker, it would be nice if we could make some predictions that had

some certainty, but it isn't possible. Mr. Speaker, what we are doing is working as prudently as we can with the resources that we have.

Mr. Speaker, if I might, just for a minute, spend some time on some of the economic initiatives that this Government has taken. We have a list in the Throne Speech of initiatives that the Government has undertaken and will undertake over the next number of months to ensure that the firm footing that we have maintained, the foundation that we have laid in terms of our social and our economic base, are not eroded by further economic turbulence in the international scene.

One of the ones that obviously affect me as Minister of Housing is the Homes in Manitoba Program. We made an announcement in August of 1982 to the effect that we hope to be able to create 2,000 jobs over the next year; that we hope to be able to bring to Manitobans a thousand or more units of housing. Mr. Speaker, I don't claim that this is going to be the salvation. It is not a panacea for the problems, but the fact is that it meets two very important objectives.

One, Mr. Speaker, it provides much needed housing for Manitobans and, two, it does provide jobs. I am told by the industry that for every house built, we're creating two person-year jobs. So for every unit that we build, we're creating jobs and for the 1,000 units that we're predicting by March of '83, we're going to create those 2,000 jobs. Mr. Speaker, we have some further projections that would indicate that we could be stimulating the economy to the tune of approximately \$70 million and the number of units that we're contributing could be as high as 1,500.

One of the initiatives that we're taking is to provide some nonprofit, public, family housing. Over the last five years there has been very little, if any, activity in nonprofit family housing. This year, to date, the Department of Housing has committed approximately 173 units of public housing, representing about \$7.3 million. In addition, we will have the individual initiatives under Homes in Manitoba which, at a minimum, will represent \$14 million, and other builder initiatives which will increase that total.

Mr. Speaker, with respect to the Homes in Manitoba Program, we have had some concern expressed on the part of some that there is too much bureaucracy, that there are too many problems. Let's take a look at some of those suggestions.

First, is that the \$64,000 limit was seen to be a problem. The fact is that the Manitoba Homebuilders says that isn't so; the fact is that in one report, two builders were quoted as having some concerns when in fact those builders are part of the program as well. Some concern was expressed by the Bank of Montreal that it was too involved to be bothered with and the fact is that three other major banks and numerous credit unions didn't have the same concerns.

Mr. Speaker, there was some concern about the limits to renovations, the fact that the \$15,000 that we had targeted as an ideal amount for renovations was too high. Mr. Speaker, we considered the options when it came to both the dollar figure for the upper limit, the upper cost of housing, and we decided on a modest home for Manitobans, and we set that as a target, and builders have responded admirably, without any difficulty. Certainly there are builders who

would say, well, we didn't have that written the way we would have liked. Mr. Speaker, we didn't write it for the builders. We wrote it to promote homes, affordable homes for Manitobans.

Mr. Speaker, when we're talking about the renovation aspect, clearly there are many other renovation programs which any homeowner can tap into. We have Critical Home Repair; we have a Canada Home Repair Program; we have the Federal Residential Rehabilitation Assistance Program that mount up to \$10,000 in assistance for renovations. So we set that target because, Mr. Speaker, when you're renovating a home you're creating jobs. In fact, there are some indications, some people would say, that home construction and home renovation create more jobs than many other capital types of projects.

Mr. Speaker, it is one of the economic initiatives. It is an important one; it has twin social and economic objectives, and it isn't a panacea but it is an important initiative and one which has been accepted and one which, given time, will be a successful and important addition to Manitoba. Thank you very much, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. G. FILMON: Thank you very much, Mr. Speaker. It is a privilege and indeed, a thrill to rise to speak and make a contribution in this Debate. It's one that I eagerly look forward to each year and I was pleased to listen to other speakers, many who have been in this Assembly much longer than I, state their feelings of joy and eagerness to participate in the Throne Speech Debate and to have an opportunity once again to actively participate in the democratic process on behalf of their constituents and review the Government's record, offer some advice and constructive criticism and really give meaning to the democratic principles for which we stand and for which our electorate send us here to guard.

Mr. Speaker, I wish to say to you that we welcome you back in your position as Chairman of this Assembly. We know that you will continue to operate with the same standard of fairness and impartiality that you've shown over the years, and we wish the best of continued good health so that you may continue to provide us with that guidance and leadership.

I wish to, as well, welcome the new Deputy Speaker, the new Chairmen of Committees, both of whom I believe offer us fresh faces, fresh voices and a fresh approach to their duties in this Assembly.

I would as well, Mr. Speaker, like to bid a word of welcome to each of the new Ministers in the front bench. Unfortunately, someone will have to convey that message for me, but I certainly wish them well as they face their new challenges and responsibilities as members of the Treasury Bench. I know that they join a rather weary and spent group, a group that in some cases has certainly been exposed for their incompetence in handling some of the affairs of Government during the past year, and so certainly I think these fresh voices and faces to Cabinet will give us some hope of improvement in the future.

It's been said earlier that there was a reservoir, a great reservoir, of talent over on that side for Cabinet and this gives an opportunity to put more of them into

leadership roles. Unfortunately, I think that reservoir has been exposed as a cesspool within the past year, one that is characterized more by waste and mismanagement than it is by talent, but in any case these new Ministers certainly have a challenge to face.

Looking at them, I have some comments that I'd like to bring to them. Each of them, of course, has something different to bring to their portfolio. The Minister who just preceded me, the Honourable Minister responsible for Housing, I have a number of things that I'd like to say about him and will spend considerable time a little later. He, of course, has one of the largest challenges trying to clean up a rather disastrous situation left to him by two former interim Ministers of Housing in that administration who, through their incompetence and lack of understanding, have brought forth programs with no guidelines and committed money when they had no idea what the costs would be and done all sorts of things for which he is now paying the price.

We have a new Minister of Consumer and Corporate Affairs and, of course, we have very little upon which to judge his potential by. Certainly, given his contributions to the last Session, he really hasn't given us anything to indicate what he's capable of doing. In fact, I know that his appointment was as much of a surprise to us as it was to members on that side. In fact, I understand that his own particular response to it was one of surprise. He was heard in discussion with a former student of his to say, just imagine, a year or so ago I didn't even know how to spell "Minister" and now I am one.

The Minister responsible for Government Services, of course, he has had a great deal to say as a member of the back bench and we'll see if he's capable of doing anything now that he's on the front bench and has an opportunity to do so.

The Minister of Labour, of course, holds great promise. She too, of course, comes into a portfolio with a great deal of promise and, in fact, the only concern we on this side have is whether or not she is going to be able to adjust to living on one income this year. — (Interjection)— Mr. Speaker, perhaps they can get Marty to write a few more letters to the editor, and that will solve the problem.

Mr. Speaker, the noteworthy fact about all of these new appointments, of course, is that they all are school teachers and that brings the number in Cabinet now to five school teachers and two university teachers - and seven out of 18, I would have to say as a representative of any particular special interest group or discipline, has got to have some weaknesses and it's got to have some drawbacks to have such an over-representation of any one particular interest group. Some of my best friends, of course, are school teachers, so I say this in a totally nonpartisan sense. It just isn't healthy for any organization - I would say the same if we had such an over-representation of lawyers. I would say the same if we had such an over-representation of real estate people. I would say the same if we had such an over-representation of engineers. I would say the same if we had an over-representation of any particular special interest group in Cabinet.

I don't think it's healthy, and I don't think the Manitoba Federation of Labour would even support it. I

think they must be concerned to have all of their decisions made by people of one particular special interest group.

I will, Mr. Speaker, as well, say that we do have other moves that have taken place, other elevations within the Government. We have, of course, the Member for Springfield, we have the Member for Ellice, we have the Member for Elmwood, and the Member for Concordia, all of whom have been elevated to the third row, so they now get a better view of proceedings; and perhaps, if they're really attentive and concentrate on what's going on down below, maybe next time they'll be in a position to be brought forward to a position of responsibility. —(Interjection)— You are the first on the list, to the Member for Springfield.

Inevitably, Mr. Speaker, after those kind words of introduction, I think that I should deal with the matter at hand, the Throne Speech.

I think that, of course, what it says is important, but perhaps what's more important is what it fails to say; that's right. Because, it talks rather laughably about an activist government, and yet, Mr. Speaker, as I reviewed it in some detail, I got a clue about what this government means by activist Government, because I counted the number of times that certain words were used in the Throne Speech, and particularly we'll use as an example the word "review" or "reviewing." That was three times in the Throne Speech. Then we have the word "consult, consultation or consulting," that was nine times. Then we had "develop, developed, development" - 12 times, Mr. Speaker. Then we have "conference" four times; "commissioned" seven times; "committee" three times; assorted references to "planning" and "reviewing" and all those sorts of things. Where's the action? Where's the activist Government? It isn't there, Mr. Speaker, because we can't expect any action out of this Government, they haven't given us any before and what they have has been a total failure.

So, now, they're into a mode of reviewing and consulting and appointing commissions and committees and conferencing and all those wonderful things, but no action. So let not the people of Manitoba be conned into thinking that this Throne Speech means that anything new, or different, or worthwhile will happen from this Government.

Mr. Speaker, the one word that doesn't appear in this particular Throne Speech, but characterizes and pervades everything that this Government is about is the word "desperate." You can read it between every line; you can see it in every action, Mr. Speaker. They are so desperate to be seen as activist that when they do have a few minor initiatives, they announce and they reannounce and they reannounce again every new little program here and there, a few jobs here, a few make-work projects there, and it was again evident in yesterday's announcement by the Minister of Labour where she recounted in one particular new announcement about four or five other former announcements that had been made again and again and again.

Mr. Speaker, it's becoming evident that the response of this Government to the mega projects is their "meager" projects, those make-work, short-term, very, very few employed people projects that will last for less than a year until they run out of the money that

they're spending at the taxpayers' expense.

Mr. Speaker, they're desperate to be seen as competent, yet all we get is waste and mismanagement, and we don't have to look any further than yesterday's announcement of a \$498 million deficit projection for this year. We don't have to look any further than the information that's been coming out on the housing programs - waste and mismanagement, Mr. Speaker, and it's all there. I'll quote from a recent article, "The poor performance of the program is being blamed on the Government's lack of preparation before announcing it, its inability to gear up its bureaucracy at the speed promised and on the failure of its guidelines to fit the needs of the industry or the perspective owners." That's what being said about their program. I don't have to say it, Mr. Speaker. It's out there and everybody knows.

I'll quote again from a spokesman for the Bank of Nova Scotia, "The necessary drafting of the program wasn't done. Normally when you have a program you know what you're doing before you announce it," he said. Well, that's what people think about the programs that this Government's coming out with. That's the waste and mismanagement we are talking about, Mr. Speaker. They've blown the mega projects and I don't have to say very much about that because that's been well covered by other members who have spoken. Waste and mismanagement; let's have another one, Mr. Speaker.

How about the McKenzie Seeds refinancing - \$3 million. We're going to refinance McKenzie Seeds. Now look at what the Provincial Auditor just said in his Annual Report to the Assembly and this is regarding A.E. McKenzie Company Limited and subsidiaries. "The corporation's operation continues to be viable without any subsidy from the province and the revised projection for the 1982 fiscal year is a break-even situation. Why do you need to refinance then? Do you need to cover up all of the mismanagement that happened before? Do you need to cover up all of that waste that you incurred because you improperly managed it when it was under your control and you want to hide that, sweep it under the rug by wiping out the debt load that it's carrying due to your inappropriate moves? That is I think, Mr. Speaker, what this Government wants to do, or worse still, I don't know whether or not the Minister responsible for patronage, the "Boss Daily" of Brandon East maybe wants a personal slush fund over there and he wants to have more money at his disposal; so there goes \$3 million into McKenzie Seeds.

Mr. Speaker, this Government is desperate to be seen as a caring and concerned government, but it's harming the very people they said they wanted to help. Unemployed are up 24,000, Mr. Speaker. The payroll tax is destroying more jobs than they can create with all the government dollars that they're spending. The elderly and people on fixed income are being hit by higher property taxes throughout this province, Mr. Speaker, and they can't even stay in their homes. These are the people that this Government said they care about. The payroll tax is impacting on charitable organizations, public service organizations, all sorts of institutions, health care, that never had to bear it before; that's the people this Government said they cared about and they're harm-

ing the very people that they said they cared about.

Mr. Speaker, small businesses - the people that again they said they were concerned about - bankruptcies are substantially up in this province. In fact, at this point in time bankruptcies in business are up 75 percent in this province over a year ago; yet they said they cared about small business and the people who are in difficulty can't even qualify for assistance under their program. The payroll tax is absolutely wiping them out. Mr. Speaker, that's what this Government's care and concern is all about - harming the very people they say they're concerned about. Interest rate relief - no one who really needs it can qualify, Mr. Speaker.

On the education side, they give with one hand and they take away with the payroll tax and the other things, Mr. Speaker. This is the kind of desperate government we're dealing with. They're desperate to appear activist and yet, as I said, all they say in the Throne Speech is study, develop, review, plan - no action, Mr. Speaker, no action. Not even the Minister responsible for the Environment, who in his day as critic in the Opposition called for active and intervention in the environment, demanded action and now has both the power and the responsibility with which to carry out that action and can't do it, Mr. Speaker. He can't do it because he doesn't have - I don't know what - the courage of his convictions, the support of his colleagues. I don't know what he needs to carry out the actions that he wanted. I don't know whether he just doesn't care or whether he's totally lacking support.

Let's talk about a few of those things. Let's talk about a few of those things, Mr. Speaker. When this Minister was the environment critic he said that tougher emission standards should be imposed upon the smelters in Northern Manitoba. He has not come forth with any commitment, any program to toughen up those emission standards. He just had a Clean Environment Commission Hearing earlier this year at INCO and he has not toughened up the standards. He has the power. When is he going to do it, Mr. Speaker?

Mr. Speaker, he commissioned a report on Baygon. He said that there was great harm and danger potential to the Province of Manitoba and its people by virtue of using Baygon in the form that it was when this administration had to fight an incipient attack of encephalitis, Mr. Speaker. He criticized this Government for utilizing Baygon, Mr. Speaker.

MR. DEPUTY SPEAKER, P. EYLER: Order please. The Honourable Minister of the Environment.

HON. J. COWAN: Yes, I would request through you, Mr. Speaker, that the person now speaking entertain a question. I'd ask him if he'd be prepared to address a question?

MR. DEPUTY SPEAKER: The Honourable Member for Tuxedo.

MR. G. FILMON: Mr. Speaker, I hope that you'll add this time to my allotted time at the end of my speaking . . .

Mr. Speaker, this Minister commissioned the study and after the study was done, he sat on it. He wouldn't

release it. He wouldn't allow people to debate it publicly for ages. You know why, Mr. Speaker? Because the study concluded that there was no harm to the use of Baygon in any respect and I'll quote from the study's conclusions: "A program of aerial spraying with the pesticide Baygon is environmentally acceptable at this time." I'll quote further: "The evidence presented at the hearings also indicates that the 1981 single aerial dispersal of Baygon into the environment with the low concentration used by the aerial spraying program posed no appreciable threat to human health or to fish and wildlife." Well, he has this report and, Mr. Speaker, he doesn't believe this report, I assume, because he still has other things that he wants to say about it. Well, he has the opportunity and also the ability with his power and position to ban it completely, but he hasn't done it, Mr. Speaker. So where's the courage of his convictions? When is he going to act? Where is the activist former environmentalist that we now have as a Minister?

Mr. Speaker, the Throne Speech talks about concerns for water supplies in this province, concerns for threats to water supplies. But you know what, Mr. Speaker? There is a very serious concern for Shoal Lake, the City of Winnipeg's water supply. I'll quote from the Throne Speech, Mr. Speaker. I'll quote from the Throne Speech. "Water quality and supply is critical to the maintenance and enhancement of our quality of life. My Government will introduce new measures to manage surface runoff in ground water supplies, including modernized means to allocate, license, protect and control this important resource." But neither he nor the Minister of Urban Affairs will come out definitively and say that they will stand with the City of Winnipeg and oppose the threat from the 350-cottage lot development to the city's water supply in Shoal Lake. Neither one of them will stand up with the City of Winnipeg and say that they will help them to protect it; none of them, Mr. Speaker. So what is the city faced with doing? The city is faced with spending \$28,000 sending a folder around to everyone of its residents to tell them what concerns they have and to tell them what threat exists to the city's water supply if that cottage lot development at Shoal Lake is allowed to go forward. They have to spend that money because their Provincial Government will not support them to go out and protect it. They won't intervene with the Federal Government and urge that Federal Government to act. Instead, they have to conduct a public information campaign at a cost of \$28,000 to try and get this Provincial Government to take a position.

Mr. Speaker, this Government is desperate to appear as an open Government. All of their talk is about consultation, review, committees, commissions. They're bringing forward Freedom of Information legislation, but the truth is that they sit on reports; they withhold information from the Opposition all the time.

Look at the Quarterly Financial Report. It was available, but they wouldn't put it forward because they were afraid to have the Leader of the Opposition given the opportunity to hammer them with their own report and so they sat on it. They hid it from public view. They did the same thing with the report on the Workers Compensation Board Review. In fact, more so than that, they took an open judicial inquiry and made it a closed inquiry with one person as the inquirer. Then

after that, Mr. Speaker, of course the report came out in an edited version so it couldn't be used to identify anything, any case or anybody. So, consequently, nobody could defend any of the recommendations or nobody could agree with any of the recommendations or conclusions because it had been all watered through, all come through as puree, rather than as solid information.

Mr. Speaker, why are they so desperate? Let's look at a few of the indicators. When I speak to people in my constituency, when I speak to interested Manitobans whether that be out in the community or in church or in the schools or in the downtown business community or just people that I meet on the street, what are they concerned about? They're concerned about: one, the economy; two, jobs; and three, taxes. What's their assessment of this Government and its action on those three major areas? Well, you know, during the last few years of the previous Conservative Government, the New Democratic Party in Opposition were constantly complaining about the lack of growth in the Manitoba economy despite the fact that employment in Manitoba had increased over 30,000 during the years 1978 to '81. They were complaining about the lack of growth, and manufacturing shipments had increased by 53 percent during that same period of time. The manufacturing investment had increased by 63 percent during that same period. They complained that wasn't good enough.

Now, this past year under their jurisdiction, under a New Democratic Government, Mr. Speaker, has seen unprecedented layoffs throughout the province, a total halt to investment in most sectors of the economy and a loss of jobs in excess of 24,000 in this province bringing the total unemployment roll to 52,000. Now most fair-minded Manitobans, and I think that includes us on this side, would recognize that this Government isn't totally responsible for that. We recognize that. What is apparent, however, is how much out of touch with reality this group were when they published that document by their Leader during the course of the election campaign, "A Clear Choice for Manitobans" and how much out of touch with reality they remain today.

As an example, in their first year of office, increased spending 18 percent over the previous year's Budget which they complained loudly was an election-year Budget, an attempt by the Tories to give away the ship. That's what they said and, yet, this year they increased it by 18 percent over that so-called election year Budget. After criticizing restraint in spending controls, they now find themselves practising what they say is repriorization. How the mighty are falling. More so than that, the Premier has the audacity to say, we've coped rather well. In fact, he says that, given the opportunity, he'll cure all of the province's economic ills and further, if there were an NDP government in Ottawa, the whole country's economic ills would be cured. That's what he said in B.C. I want to tell you, Mr. Speaker, asking the NDP to cure the economic ills of this country or this province is like bringing the arsonist in to put out the fire because he knows how it got started.

Mr. Speaker, the Premier says we're the best of the worst. He keeps talking about the Conference Board Report, so did the Minister responsible for Housing.

He says despite the tough times, we've performed better than other provinces. Well that's little comfort, as my colleague for St. Norbert said, to the 52,000 unemployed in this province. That's little comfort to the farmers and the businesses who have gone broke during the past year and they have gone broke in record numbers, Mr. Speaker. I told you about the increase in the bankruptcies in businesses being up 75 percent. Well, in case the members opposite didn't know, farm bankruptcies were up 380 percent this year over last year. That's what has been happening around here. That's the things that they take pride in, I suppose, on that side.

Worse than that, it's a total misuse of the Conference Board statistics, Mr. Speaker, because the strength of the Manitoba economy has always been in its diversity. What that has meant is that not one sector of our economy accounts for more than 10 percent of our gross provincial products. We're broadly based and so, as a consequence, when times are good, we don't boom as much as the rest of the economy in the country. When times are bad, we don't suffer as badly. It has been that way historically, but of course the Premier has never understood that. He's never looked at what has happened before. He is just trying to make a case based on now and it's not good enough. It's not working and it won't convince Manitobans.

Even today, Mr. Speaker, when under questioning by the Leader of the Opposition, he was asked what is he projecting in terms of Budget for next year? What will the deficit be? What is the target in terms of spending increase that they're giving to the departments to prepare their Estimates? He said there was no target. They weren't prepared to estimate; they weren't prepared to aim at any particular figure.

Mr. Speaker, that is absolutely inexcusable. To say that you have nothing for which you're targeting when you're preparing your Estimates is absolutely inexcusable. Mr. Speaker, if you don't know where you are going, any road will get you there and that's what this Government is doing. They don't know where they are going and so they can take any road and grasp at any straw. It will get them there, but the public will be the ones who suffer.

Mr. Speaker, what is this Government doing about the No. 2 priority that people have told us about, jobs. They're doing nothing, Mr. Speaker. They lost the mega projects and with it they lost, in terms of Alcan, an \$800 million investment and 600 jobs. They lost all the jobs to do with the potash mine; they lost all the jobs in investment. I won't even spend time on it because all of the others on this side are going to be spending a lot more time and they will make them know and understand just exactly what they have done for this province in terms of the job losses.

Mr. Speaker, if they haven't been effective in dealing with the economy; if they haven't been effective in bringing jobs to Manitoba; if they spent wastefully and caused a massive increase in our provincial deficit; at least maybe they've been successful in addressing the social and human resource concerns that they said they were going to do when they were working for election.

Look at housing. Let's start with the housing and go back to that again, the so-called cornerstone of their social programming. The Minister responsible today

said how it would stimulate the economy, how it would stimulate the construction sector and create jobs. It has all of the elements which they say they are concerned about, but what do they do? They announce a \$50 million program on August 13th of this year with no guidelines, no criteria, no idea what they are going to do to fulfil that mandate and no prior consultation with builders or lending institutions. It has not been discussed with the board or the senior staff of MHRC and I have that on authority from one of their appointees to the Board of MHRC who is totally frustrated with this Government's action on housing. They bring it from on high from the so-called ERIC Committee of Cabinet and it is a totally impractical, totally wasteful approach. They just say to the people in the corporation, never mind, spend the money, we've got to do something: we've got to fulfil our commitments.

Six weeks after that program was announced the criteria were so sketchy that builders still didn't know what to expect from it. Banks and lending institutions were called in, and in the beginning the lending institutions totally refused to participate because the criteria were such that they didn't meet CMHC guidelines for insured loans. So they went back to the drawing board, they revised the criteria so at least they met CMHC guidelines for insured loans and then only some of the lending institutions agreed to participate. —(Interjection)— Then you should have consulted before you made the announcement. That's the point, to the Attorney-General.

The builders found that the criteria didn't dovetail with CMHC's criteria for their \$3,000 grant, so all the houses they had started since the date of announcement in August had to be stopped sometime in September. One firm tells me they laid off 50 people because these guidelines didn't meet the expected criteria. They didn't match with CMHC's criteria and so they had to throw out all of those housing starts they were going to work on.

The Government says that they only wanted to provide money for modest homes, that their program is more successful than CMHC. Here are the figures, as of mid-November. CMHC had issued and effected grants for 3,394 starts in this province under their program. These people today, according to a news report, have made commitments for 60; according to the Minister yesterday it is closer to a hundred and theirs is far more successful than CMHC. They've reinvented the wheel and they've got a much better program than CMHC. CMHC has over 3,000 starts going and these people have only 60 to 100 going.

I don't know. Mr. Speaker. I think they didn't want to spend the money at all, just as they didn't want to spend the money on their program of Interest Rate Relief. They said to all the people of Manitoba, and I don't have to repeat it again from the message from Howard Pawley, that they were going to help everybody in interest rate relief. They announced \$23 million of assistance would be available and I tell you, Mr. Speaker, that as of the beginning of this month they have only committed, not spent, because they have spent much less, they have only committed \$5 million in total interest rate relief on this program. Why? Because the criteria and the guidelines are so narrow that anybody who really needs help can't get help.

Why would that be? Business bankruptcies are up

75 percent and yet people still cannot qualify under the guidelines of their programs to help businesses. Farmers are up over 380 percent in bankruptcies; yet farmers who need it can't qualify. We were told that today by the National Farmers' Union, your friends, the National Farmers' Union told us that, and yet your program has such narrow guidelines that nobody who needs it can really get the help.

The same thing holds true for homeowners. I want to tell you what the business and farm people have told me. They said that you have to be so desperate to get this kind of assistance, your business has to be in such bad shape that all this money you can get from the Government represents is coffin money; something to give your business or farm a decent burial, that is all it amounts to. It is absolutely a waste of taxpayers' dollars. The bureaucracy that is created is eating up more of the money than the money that is being given out to the people who need it. That is what your program is all about.

Mr. Speaker, homeowners are in difficulty in this province and yet the guidelines have been structured so narrow that no middle income families can qualify to get any assistance under the Interest Rate Relief Program. The fact of the matter is I have spoken to people from across the city who have called me to say, can you have any effect in helping us because we're faced with this problem. There are two of us, a married couple, both working and we've got a house, the mortgage has gone up substantially and we can't afford it, we're having difficulty making the payments. With two of us working we exceed the level at which they will give us assistance. If one of us quit so that only one is working and we're below the level, the assistance they offer us isn't enough to make ends meet, so it's a Catch 22. That is what they're doing with their program.

What about education? I've just got a minute or two, Mr. Speaker. Their most encouraging announcement this year was that they were carrying forward the program that we had said before, an increase of 10.4 percent on the Education Support Program. That is an announcement that we had made, that's a program we had put in place. That is the most encouragement that the Minister of Education has made all year, other than telling some people who were protected under MGEA, who were going to be wiped out under a purge by her administration, telling them that they now can keep their jobs.

The MGEA had a file of 13 grievances against this Minister for trying to get rid of all these people, so she had to come forward with an unprecedented announcement to say that she is not going to lay these people off. Well I've got news for her. —(Interjection)— Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: Order please. The honourable member's time has expired.

The Honourable Member for Municipal Affairs.

HON. A. ADAM: Mr. Deputy Speaker, I am certainly pleased to have this opportunity to participate in the Debate on the Speech from the Throne. While the Speaker is not in his Chair, I would certainly want to express my pleasure that he has recuperated from his illness earlier on in the year. I hope that his health will

continue to improve as time goes on and hope that this Chamber will not contribute to any diminishing of his health. Mr. Deputy Speaker, the Speaker's responsibility is an onerous one and I'm sure frustrating at times, and I suppose enough frustration can develop to make anyone ill.

I want to congratulate you, Sir, as well, regarding your appointment as the Deputy Speaker.

I want to thank the Member for Riel, the Member for Thompson, for so ably moving and seconding the Speech from the Throne.

I would also like to congratulate my colleagues - I've done it privately, but I've never done it formally, Mr. Deputy Speaker - to the Members for Flin Flon, Gimli and Dauphin for their appointments to the Executive Council and also the Member for Kildonan, which adds another woman to the Cabinet, which I think is good. I'm sure that these new members, additions to the Cabinet, that their contributions will certainly be felt throughout the province.

Mr. Speaker, I was pleased to hear the Leader of the Opposition refer to me in his comments on Page 43. I'm pleased because he devoted about a half - not a half page but at least half a column - in referring to me, and he mentioned questioning what we were doing on the Assessment Review, Mr. Speaker, and of course it was done in his usual fashion, always done in a derogatory manner. I am pleased when we get criticized, I'm pleased when members opposite tend to criticize us because then I know we're on the right track. If you don't criticize, then I'm worried. I'm worried.

Mr. Speaker, there have been some complaints about the Assessment Review, and how it's been handled. I would suggest to you that the problems in the assessment are not new. They have not developed overnight. In fact, any inequities that exist in the system have developed over many years and probably from the time that properties were assessed for taxation. I would have expected, Mr. Speaker, that members opposite would be mature enough to realize and understand that the problems that have developed over these many many years will not be overcome overnight. They will not be resolved overnight by simplistic solutions.

Mr. Speaker, we are reviewing what is happening in other jurisdictions as well as the studies that we have made here. I would point out to you, Mr. Speaker, that I believe it was approximately four or five years ago that the Province of British Columbia developed a new system for assessments in that province. Today, and I believe at the present time, they are now holding hearings because of the problems that had been created by not studying fully what they were doing.

Mr. Speaker, it would be naive on the part of anyone, and naive to the extreme I would say, for some to believe and expect that if all the recommendations that have been presented to us were implemented that all our problems would disappear. We would have to be very naive if that is expected. We have to move and try to address the inequities that have built into the system over the years. But we must do it in a way that we do not get into more problems and create more problems than we are trying to resolve.

That is the position that I have taken. We are going to study the implications —(Interjection)— Mr. Speaker, I hear someone say, "For how long?" Well,

obviously, the honourable member hasn't read the recommendations because the recommendations also say that we should phase this in, get our system into place by 1987. That is what the recommendations are indicating. They also indicated that we should extend the freeze as well. —(Interjection)— I would suggest to the honourable member that he look in the recommendations and he'll find out, Mr. Speaker.

So, Mr. Speaker, personally I have attended a number of regional meetings of the Union of Manitoba Municipalities, seven I believe, seven or eight in all, and I also attended, of course, the convention that was held recently. I have received a number of commendations or compliments, if you will, on the way that I am proceeding. Because, Mr. Speaker, if the Opposition here is not mature enough to understand the major problems in addressing this, the local people out there, the Reeves, the councillors are sufficiently mature to understand that this is not an easy problem to resolve. It's a complex problem.

I have had a lot of consultation with groups out there during our southern tour and, also, meeting different delegations and meeting different councils and they are in agreement, Mr. Speaker. We have established a good rapport with Municipal Governments out there. Yes, I've been very pleased with the response and the encouragement that I'm receiving from Municipal Governments out there, Mr. Speaker.

Mr. Speaker, I don't want to spend too much time on the comments made by the Leader of the Opposition because it's really - I sometimes sympathize with the Leader of the Opposition because he somehow has the knack to lose ground after he's made a speech rather than move forward. But at the risk of offending some of the people out there, out of this House, I want to wish the Leader of the Opposition in his retirement, because I believe this will be his last major Throne Speech —(Interjection)— despite the fact, Mr. Speaker, that —(Interjection)— I wonder, Mr. Speaker, if I could have some order. I'd like to continue.

MR. SPEAKER: Order please. I'm having some difficulty in hearing the Honourable Minister.

The Honourable Minister of Municipal Affairs.

HON. A. ADAM: Thank you, Mr. Speaker. Despite the fact, Mr. Speaker, that in the last 12 years that I have been here, any time that the Leader of the Opposition has referred to the Member for Ste. Rose, it has always been in a derogatory manner and a reflection on the people of Ste. Rose. Despite of that, I want to wish the Leader well and I hope that - you know, I understand that he is leaving for his health and I hope as well that his health will improve and that it will not deteriorate.

Mr. Speaker, I would like to make a few remarks about the record of the Government to date, in the last year, and I know that my colleagues . . .

MR. SPEAKER: Order please, order please.

The Honourable Member for Arthur on a point of order.

MR. J. DOWNEY: Mr. Speaker, I feel somewhat reluctant to do this, however. But I think the Rule of this House is, Mr. Speaker, that we do not have speeches that are read into the record and I would think the

member and his long-term record should refrain from doing it and I would refer you to Rule 29 of our Rules.

MR. SPEAKER: I thank the Honourable Member for Arthur for reminding the House of that fact as, indeed there is a requirement that there should not be a reading of speeches in this Chamber. I'm sure that all members will be guided by that fact in the future. I wasn't aware that the Honourable Minister was doing so and I hope that he would take those words of wisdom most seriously.

The Honourable Minister of Municipal Affairs.

HON. A. ADAM: Mr. Speaker, I have my notes marked down here, one line, just so that I don't get off track.

Mr. Speaker, we have proven to be an activist Government. That has been proven unequivocally and we are willing to face the challenges of the present economic recession head-on with programs and policies which will benefit all Manitobans and, for those on the Opposition benches who have short memories, Mr. Speaker, let me remind you of some of the accomplishments that we have been able to achieve to this point in time. It has been mentioned that we have provided the only comprehensive Interest Rate Relief Program, to my knowledge at least from any Government in Canada, the only one to my knowledge, assisting the farmers, not only in my area but all over the province, small business and homeowners, hardest hit by high interest rates.

There is now in place a beef program, Mr. Speaker, and we heard criticism from the Member for Emerson yesterday who was complaining about no action on the part of the Government for agriculture. We put the lie to those stories, Mr. Speaker, because we have a very comprehensive beef program for the producers of this province, one that I'm sure will be accepted and I'm sure that, in my own constituency - I wasn't there but I understand that when they had a meeting in Ste. Rose to explain the beef program that there were 450 people, ranchers who turned out to find out about the program. Mr. Speaker, there will be, I'm sure, many ranchers taking advantage of this program and I believe that it will be successful and put some stability back into the beef industry which is very sorely needed.

The cost of inputs have increased and we hear a lot about the cause of recession. It's gone beyond a recession, Mr. Speaker, but we hear a lot of reasons. The big issue here in this House is the 1.5 levy. That is the big issue. This is the thing that has caused all the problems and it's two or three years ago, Mr. Speaker, that I said the problem started for western democracies when we were no longer able to exploit cheap oil, cheap energy and high interest rates. That is when the downslide started; that's when it started is when the high energy policies that group supports - we heard the then Premier of the province say that the sooner we got to the world price for energy, the better. That is when the problem started.

They also favour high interest rates. That is where the problem began for our western countries, our western democracies. It does not survive. You don't hear anybody talk about that. That's never caused a problem. High energy costs don't hurt farmers; that doesn't hurt them. That is the policy over there. You

know, that is where the problem was.

Mr. Speaker, speaking about the 1.5 percent levy for health and post-secondary education, I happened to hear a program on CBC radio as I was driving to the Legislature the other day and they were interviewing a fellow by the name of Mr. Kinney and he was a former mayor of the Town of Russell, I understand. They were interviewing him and he was saying, we are forming an Association of Western Manitoba to try and counteract the Opposition in the House, counteract the Opposition's demands upon the Government to remove the 1.5 percent levy and we are afraid the Government will do it. We're concerned if there is enough pressure coming on the Government that they may remove the 1.5 percent levy and then, we'll be in trouble.

So I find it odd and I'm going to be watching very closely. I heard the Member for Turtle Mountain, yes. He said that we should remove the 1.5 percent levy. I wonder what the Member for Roblin-Russell is going to say and I'm wondering what the Member for Swan River is going to say and I want to know what the Member for Virden is going to say. Yes, because, Mr. Speaker - and the Member for Arthur, because those four seats are on the line.

They would destroy one-third of the province, of all the businesses on - or 25 percent or whatever. That's what they would do with their policies.

Mr. Speaker, I don't intend to dwell on that because I think, you know, I don't know whether it is sour grapes but they're certainly no doubt very disappointed in the response that we have received, especially from those Conservative constituencies and the good rapport that we have had with the leaders of those communities. We attended nine meetings with the leaders of the communities in those areas and we had community leaders, Chambers of Commerce, Co-op people, Municipal Governments, and business people and we had never less than 100 people turn out at those meetings. They were amazed that the Government would come out and talk to them, eye to eye, face to face. What are your concerns? Let's hear them. Let's talk it out. Yes. It has been a good exercise. We learned from them and they learned from us. That is the consultative process which we believe in.

Yes, there are many other accomplishments, Mr. Speaker, in addition to the beef program. I diverged for a moment to talk about the levy. It was mentioned before, the Critical Home Repair has received tremendous response. We are receiving requests for applications almost on a daily basis for senior citizens who wish to repair their homes, renovate and improve the housing stock in the Province of Manitoba. The spin-offs from this program alone will create jobs and create activity in the province.

Homes in Manitoba that the Minister just mentioned awhile ago - I don't want to dwell on that very long - \$50 million expenditure on the construction of homes. That is a good thing. Government capital investment has increased by 40 percent and health care construction has doubled. The Children's Dental Care Program has been expanded and eyeglasses as well for seniors has been introduced.

The Government has paid particular attention to Northern Manitoba as has been expressed by the Member for Flin Flon. There has been emphasis on the

development of fishing, forestry, reforestation - are priorities - and other local resources.

Job creation and job training programs are a high priority with this Government, and we mean business.

We've avoided the increase in the sales tax, Mr. Speaker. There's always that possibility, and I know those people in Swan River, the business people there, they're not far from Roblin, not far from Saskatchewan, the sales tax there is only 5 percent. You never know, maybe come three years from now, four years from now, the Government in Saskatchewan may decide they want to get re-elected, they may want to remove the sales tax in Saskatchewan. I think it would be quite a dilemma for all those communities; it would be quite a dilemma for the Towns of Swan River, Roblin, Russell, Melita and so on, Birtle — (Interjection) — the Member for Arthur's town. So those communities would be virtually destroyed if that were to happen - be virtually destroyed.

I would argue that if we had gone with a sales tax instead of the levy that would have had a serious - in fact, we know that, because we have the statistics to prove it. We know it would have had a very serious effect on the business community in Manitoba. I don't want to dwell on that too long because the Minister of Finance is going to speak sometime.

I want to dwell for a moment, Mr. Speaker, on the Main Street Program because as I said before when I opened my remarks, I'm pleased that there's some criticism because if they don't criticize then I know that I'm doing something wrong. So if there's no criticism, then I know that something is wrong, I'm not doing it right. But municipal councils and business people under this program are working together, and it's the first time, really, that business people and the municipality, the local government, have had to get together and try and work co-operatively to do something in their town. This is a very worthwhile exercise, because what happened when the program came out was the difficulty of the business people, or vice-versa, the municipality - you know, we've never had to do something together before. This is something new and they had some difficulty adjusting to that process. That's a good exercise, because those communities that are going to work closely together to revitalize their Main Streets are going to be a better working group for having gone through that exercise. I was pleased to announce the first program at the UMM Convention.

I want to diverge for a moment to tell you just about Erickson a bit - the project. I sincerely believe that that will be a model for other communities. The level of co-operation that has been achieved between the municipality there and local business in Erickson is almost remarkable, what has happened in that community. Approximately 89 percent of the businesses in that town participated in this program, Mr. Speaker, and that is indeed remarkable. It has to be a model for other communities. The municipality included the replacement of sidewalks with interlocking brick, provisions for access for the disabled, ornamental street-lighting, landscaping and off-street parking and mini-parks right downtown, street furniture and cross-paths as well. That is on the municipal side. The local government is undertaking those projects, and 89 percent of the business people have entered into

the program.

We have never requested - we have never insisted that there be that high a participation, but that community, when we announced the final guidelines in August, just went to town. They went to work, and it's not an easy task. I want to say to you, Mr. Speaker, that it's not an easy task to come up with a nice plan for the community - something that will be exciting and something that will really vitalize their downtown area. The property owners will be extending interlocking brick to their storefronts and providing access ramps as well. They're going to be providing access ramps as well, widen access doors for the handicapped, and I think, Mr. Speaker, that project was one of the first announced. There will be, I'm sure, more being announced as time goes by, but the total amount of that project was 204,000, and of course, the province will be picking up 66 percent of the public property improvements and 33 percent of the private improvements.

So, I think that this one program here adds up to a success story for Erickson and the way they've entered into this program and the way they have addressed it. I think it's a credit to that community. — (Interjection) — You know, I would advise the Member for Morden that his community, although they had a hard time to get going in the beginning, the last I hear is that they're hot to trot on the Main Street Program.

Mr. Speaker, the recent Speech from the Throne is further evidence of our intent to meet the challenge of these very very difficult times. Creating employment, of course, has been, and will continue to be, one of our Government's highest priorities.

Sixty million dollars will be spent on special employment and housing measures. More than 4,000 jobs will be created on projects designed to improve the strength of our economy and the quality of life in the Province of Manitoba. Close to \$4 million will go towards accelerated provincial capital works over the winter months. — (Interjection) — When unemployment is at its highest, it's usually in the winter months.

Mr. Speaker, the Affordable New Homes Program will be extended, and the Home Insulation Program will be improved and extended. The Retrofit Program, the Federal-Provincial Arena and the Recreation Centre Retrofit Project will also provide needed jobs in a number of communities.

To demonstrate our Government's commitment to Manitoba products, a Buy Manitoba Program will be introduced to support the growth of rural and urban firms. As is evident in the thrust of the Speech from the Throne, our Government is not going to follow the path of the previous administration, increasing highway spending and at the same time slashing important social programs.

I am pleased with our performance over the past year, Mr. Speaker, and it adds up to a success story.

MR. SPEAKER: Order please. The honourable member's time has expired.

The Honourable Member for Morris.

MR. C. MANNES: Thank you, Mr. Speaker. I, too would like to offer my congratulations, particularly for the job and your efforts you accomplished last Session when there were great pressures upon you. I

wish you well in your continuing role.

I'll not offer congratulations to all the new members opposite who have achieved new positions; not that I don't want to, but my time is short, and I'll wait to see how you do for a year. After that time, if you've done a good job, then I'll offer it to you.

Mr. Speaker, I don't know if 40 minutes can do justice to what we've heard over the last week regarding the Throne Speech, firstly; and secondly, of course, the document that was read by the Minister of Finance yesterday regarding the state of the economy in this province.

First of all, I'd like to comment upon the Throne Speech, and my first reactions remind me of a definition that I heard about talking. Talking, of course, is defined in some quarters, at least, as words, words, words, the greatest substitute for action. And I can tell you the words were coming at such a feverish pitch the day of the Throne Speech that I, in all confidence, and I would have to say this to my constituents, that I sort of turned off - I couldn't listen to them. I took the Speech home, however, during the weekend and I read it, and I must conclude that in my view, there was little of substance and there was a whole pack of words.

My Leader has drawn attention, I believe, to the number of positive aspects that were mentioned in that Speech, a few that were continuations of policies that had been developed previously by members of the previous Government. Just to list a few of those, of course, were the mentions of the Hazardous and Special Waste Management Program, the advent of Surface Rights Legislation, the continuing royalty and tax incentives to apply to our oil industry and the supporting of the local recreation districts - that's one that I can find favour with - and the attempt to manage surface runoff and underground supplies, and I think the Minister the other day made further reference to that. These, I suppose, are all fine in concept, although I wonder what value they'll have to the 52,000 unemployed. Although, again, if they weren't in place, if they were to be removed and not continued, I suppose the roll would increase.

In my view the rest of that speech, the Throne Speech, can be categorized into two parts: namely, misunderstandings and misconceptions, inconsistencies; and the second part is words - six pages of words, which really, I think, have no value to the citizens of Manitoba.

First of all, I would like to spend a fair amount of time on what I believe are the inconsistencies and the misunderstandings. I have to dwell on the words "the recession" and "the recession belief" that seems to come constantly from the members. It is now, not only what is in existence, but it seems to be the cause for what is in existence and everything is so neatly blamed on the recession. I counted the times it was mentioned in his Speech and I thought the writer did well in keeping it down to three or four.

Of course, I saw the word "depression" starting to sneak in also into this Speech and I'm wondering if the members opposite are finally prepared to use that terminology, because I can tell you that I am. I am prepared to begin to use it because I think it's time to face up to it, time to try and put some order back into what we have here, an attempt to cut some spending,

and I'll get into that a little later. So, in my view, we should call it what it is and put aside some of the garbage statements.

I didn't bring it down, but this was written up in the Winnipeg Sun here two weeks ago where the First Minister, the Premier of this province, went out to Vancouver and said that in fact it was all the fault of the new administration in the United States two years ago. It was the fault of those people and I am wondering when that is going to be put to rest, because I think it's doing a terrible terrible injustice to people who are trying to grapple with really what is our present state and how has it come into being. So we blame it all on the Chicago boys - I think that was the reference - and the Reaganomics.

No mention whatsoever, and you never hear this, of the fact that our manufacturing industry has become noncompetitive in the world marketplace; that we have burgeoning debts building up in all our government and quasi-government areas; that economic growth was slowing down long before the incoming of President Reagan; that indeed Canadian industrial productivity, the increase in our productivity was falling far below the level of many industrialized nations; but that in spite of all the problems that existed - and they don't mention it - in spite of all the problems that existed and they will continue to exist, that in my view and I think they share the view - at least I hope they do - that Canada with some good leadership, I think, probably had the best opportunity of any nation in this western world to have escaped the savage results of what we have now. If there was any nation that could have done it, I believe we could have, but you don't hear that. You never hear that in the criticism. No, it's strictly because of something that was done two years ago by ways of an election in the United States.

So, when I hear the appeals from their members who say let's work together, let's attempt to fight this war together, and I've heard this now from two of their speakers - I heard it from the Member for Thompson and also from the Member for St. James - I say, well, how can we work together when we can't even agree as to what the problem is that brought us to this present state.

The next inconsistency, Mr. Speaker, that I would like to speak about was and I'll quote - it's on the first page and it says - "While the ruinous policy of tight money and high interest rates is now discredited . . ." and it goes on to say something, but that was the preamble to a sentence. I would like to spend a moment on that if I could, Sir. First of all, I will say that I agree tight money and high rates of interest hurt, they hurt badly, there's no argument; so does pulling a tooth, it hurts badly, too, but let's look at the adjective. The adjective was "ruinous." What does it mean? Well, I take it then that they would prefer the system of easy money and low interest rates. Obviously that's what they endorse. Is that what you believe in? Because if you do, obviously then you like speculation. You loved it. You had to because that's what comes with it. You loved speculation in commodities and real estate values and land. You've loved it. You had to. You loved the concept of consuming first and paying later. Consuming first and paying later; obviously you liked that, because that's what comes with easy money and low interest rates. People - all aspects of our society -

people, businesses and governments, but what's the offshoot of it? Well, we all know what the offshoot of easy money is and easy credit. It's inflation. And, of course, how many times did you see that word mentioned in here? It's not mentioned once because that is not a problem. It's not mentioned once; it's not a problem even though it's the natural result or outcome of easy money and easy credit. It has happened for hundreds of years. So which side do you want? Which type of policy do you want? Or do you believe in the money system at all? I wonder. So, Mr. Speaker, I believe inflation to be the most dreaded economic disease that there is and we are paying the price today because of some of the things that happened previously.

If I could digress for a moment - somebody the other day asked me, well, what's behind this dollar because I believe that the whole money system - what's behind this dollar? And I said, well, not a heck of a lot. I guess there used to be gold, but there is gold no longer. So what's behind it today? And do you know what's behind it? There is only one thing and it's confidence. That's the only thing behind that dollar and our economic system is only held up by that. In spite of its warts and its pimples and all the things that seem to be unacceptable to the people opposite, the only thing that holds up our system today is confidence in the dollar. Is it a solid foundation? Well, I don't think it is. What erodes it more quickly than anything? Well, I believe it's inflation. I guess what the members opposite again don't understand. What comes ultimately after inflation? Unemployment, and that's where they come on; that's when they jump onto it and say, well, that's the cost, inflation and unemployment. One ultimately leads to the other.

Well, Mr. Speaker, I don't know if I've made my point or if again I am raining down upon deaf ears, but I think the point I am trying to say is that inflation is followed by contraction and contraction means unemployment. It's inevitable. It's happened that way for generations and it will happen that way for many years to come.

Who is hurt most during these times of inflation when interest rates are low and money is easy, those periods leading into recession? And, of course, the people here, they attack us for having wanted the opposite. So, I take it that they wanted then easy money and low interest. So who is hurt the most? Well, I'll tell you who isn't hurt.

First of all, it isn't the so-called large, large corporations because during good times, during that easy money, they make good profits. And during the bad times, the tough times like right now, the large corporations, are they being hurt? They're certainly being squeezed, but who is there to help them out? The people of your thinking, they are there because the jobs are on the line. —(Interjection)— Well, I say it also is in large government, they're not hurt at least they haven't been - but I think they're going to be. When times are good, they're borrowing and, of course, when times are tough, they borrow more. And so obviously, if you look at them as an entity, they're not hurt.

Well, who is it then that is hurt? Well, it's obviously smaller businesses, because during good times they pay taxes on what they profit, and that's the way the

system should be, and of course during bad times they lose it. They lose equity, they lose what they work for. And it's part of the axioms of economics. You don't have to be a brilliant mind to understand them. I'm sure even those people can understand.

Who else is hurt? Who is hurt the most through this all? The older people, the people on fixed incomes, the people that they champion the cause of, all of them. And then we see some reference to pension reform, and sure, that's fine in concept but the greatest shortcoming of pensions today is that they're not adequate and they're not adequate because inflation has destroyed them. And again, if they can't understand that, I feel sorry for all of us.

Well, I say to them, Mr. Speaker, that inflation kills the very people the NDP say they support. When they say they support pension reform as they do, well I find it hard to accept. I say the comment is totally at odds with their wish to see easy money and high inflation. So I say to you, Mr. Speaker, I think one could spend hours alone on that comment "ruinous policies."

I'd like to move on to another great misconception and to me this is the great one. "Manitoba is doing reasonably well," and you just see it. It permeates almost out of every statement that's made over there of late. "Manitoba is doing reasonably well," and then in brackets, "(compared to the other Canadian provinces)."

So I've picked up this Conference Report, as all our members have, and I went to the Forward. There is no page number here, but if I could quote, Mr. Speaker, it says "Production of goods and services will decline in every province this year at rates ranging from 3 to 6 percent." That's a negative number. "Associated with these output reductions will be widespread job losses. Unemployment rates will be driven to record levels in all 10 provinces." And yet, from that comes these sorts of comments, and I come back to the Throne Speech. It says, Page 1, "The results can be seen in Manitoba's better performance compared to the other provinces . . ." and then goes to this page, "The good start that Manitobans have made serves as inspiration . . ." and then go to Page 12 for some more inspiration. It says, "Manitobans could be satisfied by the fact they are coping with recession better than any other province."

You know, the intent is there to purposely - the intention that, in fact, this problem that we have, it's temporary; it's over and we're the first ones to climb out of it. To me, that's an unforgivable thing because there are some very serious things looming on the horizon and I wonder if the individuals across will even pay attention. So, to me, this is the greatest misconception that a Government can lay at the feet of its people when, in fact, things are not healthy and they're trying to say that they are. I hope it is condemned by every sector of our society.

So this Government takes consolation in having the smallest negative decline, but two things worry me greatly: First, the lack of understanding as to the importance of agriculture, and I believe my Leader referred to it the other day. You know, if anybody had any doubt why we're doing the best relative to other provinces, it's spelled out in good detail again in that same Conference Board Report and, if I can quote, "Manitoba has been less susceptible than other pro-

vinces to this year's recession for a number of reasons. The volume of farm production in 1982 is predicted to rise by nearly 5 percent. Furthermore, farming is three times as important to Manitoba as it is to the average province." And that's all you have to say.

In Canada, one out of four jobs, agriculture related; in this province, my estimate is one out of two or three, farm manufacturing related. But what is equally as bad and what does this Government want to do with agriculture? Well, we get this comment here. First of all, where's the mention of agriculture, Page 4 or 5, and secondly, listen to this, "Agriculture is key to the Manitoba economy, and my Ministers have been working with the farm community to develop policies and programs that 'support healthy farm production.'" And is that our problem, healthy farm production? We are, without doubt, the healthiest farm producing nation in this world. None can touch us and yet we have problems with our production. Our problems are pricing; our problems are incomes; not with production. I wonder again, if the writer and indeed if this Government, understands the place of agriculture in this area.

Well, I don't think they do because, if they did, then they would be in tune with what I fear is going to happen in 1983. I'm becoming very suspect of the Minister of Finance and to the close scrutiny he gives of the figures that pass before him, particularly the revenue figures. As he remembers six months ago, and I don't have time to draw it out, as the Member for Turtle Mountain and myself as we pressed him on those revenue projections, assumptions at the time, we asked him to be sure that he had confidence in them. I remember his reply then, well, he had no reason to believe that they wouldn't hold. No word had come from Ottawa to make him change his mind on it.

I can accept that then, but I can't accept it now as we go into 1983, because there are bad things beginning to happen in the world grain trade and I highly advise all the members of the front bench to read the Manitoba Co-Operator and to read the article in MacLeans and many other places, as it refers to what's happened at GATT over the last month; how the trade agreements are broken down; how protectionism is just about on the verge of taking off, and it is already. I say to you, what are you going to do? Well, Mr. Speaker, that brilliant economic mind, that Member for St. James says, what can we do about grain prices? Well, I'm not claiming we can do an awful lot about grain prices, but I'm asking the Minister of Finance when he's preparing his Estimates for Expenditure to realize two things: First of all, that half the economy is based on agriculture and; secondly, if the price of grain drops 75 cents a bushel next year, you won't have any contribution from that sector of our economy. So I'm pleading with him in a sense to be fully in tune with what's happening within that area and not wait until the word comes down from high in Ottawa.

What makes me think that way? Well, first of all I know the Americans have just about had it with some of the things that are happening in the world trade of grain. They refuse no longer to carry 80 percent of the world's surplus in grains and if anybody studies their history, well, they'll know what protectionism and what traders did during the '30s. So again, I ask the Minister of Finance and I ask the first Minister and

even the Minister of Agriculture to stay in tune with this. —(Interjection)—

Well, Mr. Speaker, the inconsistencies are numerous as I see. I see comments like, and if I could quote "Manitoba has proven its ability to attract private sector interest in our oil industry." I believe that's on Page 4, and I wonder when the NDP Government in this province has really attracted anything in the sense of bringing forward new private initiative etc. Further on Page 4 it talks about - let me see - the "Water quality and supply is critical to the maintenance and enhancement of our quality of life." I know what the Minister is referring to and I don't disagree with that, and yet one day after this I open up an envelope and I have the City of Winnipeg lobbying to me to try to support them to maintain the quality of water for 600,000 people. That's an inconsistency and it's an unforgivable one in my view.

Well, we go to MACC and they talk about interest rate relief to farmers, particularly those experiencing severe financial difficulty. I don't have time to dwell into this whole area, except to say last year we went on record as saying we know who these programs will help. It'll help those few individuals who are small in size, have a very low debt, very low debt, but have some debt. They're the ones that'll apply probably, the ones that can withstand the vagaries of what we have right now better than anybody. They're the ones that I know are qualifying under your Interest Rate Relief Program. Must be, because I've had a number of 600-acre farmers over the last three weeks, particularly after they've taken their corn and sunflowers off, have called me and say "Well, how come I don't qualify? I had nothing; I sold \$100,000 worth of grain but my costs were \$300,000; why can't I qualify?" —(Interjection)— Too big I guess; obviously that's the reason.

Well, I can tell you another thing, Mr. Speaker. The NDP have taught me an awful lot about politics over the past year, the past two-thirds of a year. They've taught me an awful lot about politics. First of all, it seems that they offer programs with minimum amounts of funding; they allow a few applicants to become successful; they pay that out and then they run. They run to every platform; they run to every speech; they run to every location and to every newspaper and media opportunity in this province to play their point. I'll tell you it's effective. It's a very effective way to politic. You take \$1 million, you give it to a few, or you allow a few to take a small part of that million and then you run with it. Boy, it's pretty effective; I give them credit for it. It's a good trick; I won't forget it.

Well, Mr. Speaker, my next concern is that comment somewhere here - Page 6, I believe - and we hear it almost daily from the First Minister. He talks about his Government being guided by a principle of compassion. Of course, it always helps to have the television there when you're saying it. By the principles of compassion, and that's garbage. How naive do you think the people of Manitoba are to accept that type of thing? I ask the member, 52,000 people unemployed, half-a-billion dollars deficit and yet the compassion is there and the understanding.

Well, Mr. Speaker, I would like to tell you that my disdain and my contempt came to a feverish pitch yesterday when the Minister of Finance read the notes to his financial report. On Page 2, he says, "We believe

most Manitobans recognize that in a period of severe recession an increased deficit not only is unavoidable, but is in fact appropriate and desirable to sustain and stimulate economic activity." I suppose I could accept that; I could accept that if this province wasn't five billion in debt. I guess I could accept it also if I didn't know what was behind it, because I believe it's an attempt to soften us up for '83-'84, and our Member for Turtle Mountain made reference to that before.

But what disturbs me the most is I watch the media. I read the editorials and I see the members across the way laughing during our Leader's response to the Minister's comment, and I begin to believe that few of them, few of the members opposite and maybe few people in this province for that matter, take this seriously. Then I wonder why; I wonder what's wrong, because the people that I represent - they believe in risk and in its rewards; they believe in hard work and its rewards; they believe in and do pay considerable taxation; they believe in paying their debts promptly. They believe in turning over to their children, the next generation, they believe in turning over to them a debt-free form of belonging and that's what they live for.

Yet I hear the Minister of Natural Resources allude to us over here as 19th century economic retreats. When I hear him say that and when I hear an enunciation of a half-a-billion deficit and I look at the people I represent, I say, "Hey, we're a long way apart." What are the people who I am representing, what are they doing wrong? What is wrong with the way they believe this system should be run?

You know, they used to say that we're mortgaging our children's future, but we're beyond that now in my view. We're beyond that because only massive inflation can ever hope to pay back this debt. It's the only thing that can. The debt is colossal and I'm sure will continue to grow. I see these debts coming forward, I see the pay backs and they are always put out five or ten years. If any of us, if any of you setting up a business went to a lending institution and pushed out your borrowing schedule over that they would also expect you to come forward with some revenue projection for that period of time. Do you ever see the Government doing that? Do you? Yet, you will see us go into debt for 20 and 30 years, but never an attempt made to go beyond a year or two years to see where the source will be to pay that back.

The \$5 billion deficit is incredible in my view because I feel many people outside don't understand the magnitude of it. I'd like to put some perspective to it. I remember the members opposite yelling when the Americans announced \$100 billion Federal deficit. Well, that works out to \$400 per American person. Our Canadian federal debt works out to \$1,000 per person, and our Provincial deficit to \$500 a person, more than the latest estimate of American debt, federally, and people aren't concerned.

Another perspective - I know that the estimates of taxation that is raised, provincial tax - personal and corporation, last year was \$700 million. I think that's the new — (Interjection) — Oh, it was 727; it will now be 646 and the total provincial taxation is 146 — (Interjection) —

MR. SPEAKER: Order please.

MR. C. MANNESS: Well, Mr. Speaker, obviously the Member for St. James can't take it or he can't understand it, and I assume it's a little bit of both.

Well, another perspective. Does the Minister of Natural Resources realize that the interest on that \$5 billion would do these things? It would cover his whole department's operating expenditures for the year. Does he realize that? Does he realize it would virtually cover the cost of running two Departments of Agriculture? That's just the interest on the deficit. Does he realize that? Does he realize that the entire Government Services Department could be run with the interest required to pay that deficit?

Something that has to be close to the new Minister of Housing, I asked him, how many houses, dear homes, could be built with the interest that's going to be required to pay \$5 billion? How many? Many and yet it's just a number. — (Interjection) — Mr. Speaker, that's why, when the Member for St. James says to me, "Let's work together," we're not even on the same wave length. How can we work together? He is running down everything that the people from where I come believe in. He's stamping it into the ground. The people where I come from have been there for three, four and five generations. They will be there for another three, four or five generations, God willing, but where will their descendants be? Where will they be? We'll be here, so if you think we're concerned about debt, we're terribly concerned. If I do anything today, I hope I've made the point that they try and be concerned too.

Mr. Speaker, I'm going to close here. That should make the members opposite quite happy. — (Interjection) — I noticed the Member for Dauphin has finally managed to screw up his courage to say something. If you remember, Mr. Speaker, last Session he was the macho man in the back row. He was the one who had the comment about everything, but now we don't hear very much from him, do we? I know why too. You know, I don't know how much longer we're going to let him die every day before he walks into this House before we hit him with a question, but I know he can't sleep at nights.

Mr. Speaker, I regret bringing any levity into this conversation at all or into this speech, because I really don't believe it deserves it. I reiterate my disdain for this Government and its lack of insight, and I reiterate my resolve to see that Government defeated as quickly as possible, because I know my children and my children's children will continue to live here and I don't want to see them to a point where two-thirds or three-quarters of everything they work for goes to pay somebody's debt some 20 or 30 years ago. There are too many examples right around us, facing us in this world, as to what happens when you work and work and have none of the fruits of that work.

Mr. Speaker, I will continue to the best of my efforts to work hard to see that Government defeated. I'll work particularly hard in the constituency of Dauphin and whatever it takes to see them removed.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. H. CARROLL: Mr. Speaker, I would like to congratulate you and I wish you continued excellent

health. I hope the improvement goes on and on.

I would also like to congratulate the Mover and the Seconder for their fine speeches and I would also like to make one other tribute. I would like to make a tribute to the Member for Rupertsland for his fine speech.

You know, Mr. Speaker, I find that when I listen to the Member for Rupertsland, I listen and I don't always do that somehow, and I think the reason that I listen is I know that he speaks from the heart. I think there has been a lovely coincidence of my being able to speak directly after the previous speaker. Our speeches are going to be such a magnificent contrast, I would think they're probably going to be centuries apart.

Last week, when the Speech from the Throne was presented, it wasn't complete. I don't think the Speech from the Throne was really complete until the Minister of Finance announced the deficit of nearly \$500 million; that rounded it off. At that point, we knew what we were dealing with. I can't say that I am happy with a \$5 million deficit, but I'm also not surprised. I read the papers and I listen to the radio and I have seen what's happened in all the other jurisdictions in Canada, so a deficit of that nature doesn't surprise me terribly.

Mr. Speaker, I don't really envy the Minister of Finance. The Leader of the Opposition has ranted and raved about profligate government spending and now I'm going to come and I'm going to attack him from the other side. The deficit has come up, not because of an unreasonable increase in spending; the deficit has arisen because of a disastrous decrease in revenues. The Leader of the Opposition's position, and this is standard approach, is to cut expenses which is attacking the wrong end of the issue. What we need is an increase in revenue. Well the answer, of course, is to stimulate the economy and there are measures in the Speech from the Throne that are for that purpose. I'm happy with some of the initiatives, in the area of housing for instance and the insulation grants, but I say these are not enough.

Mr. Speaker, there are too many lemmings in this world. At one time, all the economists were Keynesian economists, and now they're all apostles of Milton Friedman. Friedman is wrong; Reagan is wrong; and the Leader of the Opposition is wrong.

MR. SPEAKER: Order please, order please.
The Honourable Member for Brandon West.

MR. H. CARROLL: But saying that, Mr. Speaker, doesn't make the Government right. As the only Social Democratic Government in North America, this Government should be in the forefront of those trying to stop the lemmings. Instead, it's trying to be a slow lemming, following the mistaken leaders, but following slowly behind, very much so. Not good enough, Mr. Speaker, just not good enough.

This country and this province do not need half-hearted leaders. I am setting up a higher standard for the Premier than I am for the Leader of the Opposition. The Member for Charleswood is not half-hearted. He's vigorous, forthright and vocal. He is not troubled by any doubts; he knows where he is going. Unfortunately, he is wrong. Consciously or subconsciously however, the Leader of the Opposition's message seems to be affecting the Premier. Mr. Speaker, this

Government has to decide whether it's a Social Democratic Government or an alternative form of Conservative Government.

Mr. Speaker, the Throne Speech sounded almost like an apology. The Government doesn't have to apologize for doing what it promised to do in the election campaign, but it better start doing.

I am concerned about the freeze in hiring in the Civil Service, yes indeed. The Leader of the Opposition says that Government is not going far enough. I say it's going too far. At a time of high unemployment, a Government should be filling vacancies. For the Government to freeze or cool hiring the Civil Service at this time is counterproductive.

When the economic chaos the world is in comes to an end - if it does come to an end - and when the recovery starts - if it does start - it will depend on getting people back to work. Nobody really disputes the fact that when everybody is working the economy is good. So what are people doing? Cutting jobs — (Interjection)— all kinds of jobs. Cutting jobs is the very opposite to what is needed. I expect the Leader of the Opposition to say, cut jobs, but I can't see where a Social Democratic Premier should be saying that.

So, Mr. Minister of Finance, you have the Leader of the Opposition attacking you on one side and me attacking you on the other side. You are truly caught in the middle.

Just to give a bit of an illustration to what I was just saying, Mr. Speaker. On the TV news the other night I saw where the City of Calgary and the City of Edmonton were laying off policemen and firefighters. They wanted to keep their budget within a 9 percent increase range, and similar actions have been taken by municipalities in other areas. We have in Alberta a time of a serious recession, just as in other provinces, and it seems that during serious recessions. — (Interjection)— Life is difficult. At a time of serious recession there seems to be a corresponding increase in crime. So here we have the Albertans, at a time of a crime spree, cutting down the number of policemen they have. Really intelligent! What I like best about this situation in Calgary, what really impresses me is that they are laying off these policemen who immediately go on UIC or on welfare; the same taxpayers in Calgary are paying these people; only this time they're paying them for not working instead of working. That boggles my mind. You know, some day, Mr. Speaker, historians are going to look back at our era and they are going to shake their heads in wonder and in awe.

Mr. Speaker, I can sympathize with the Government's difficulties, particularly when it is trying - what it is trying to do is contrast it with what the Opposition suggests as the answers. The easy answers are mega projects. These "never-never projects" get bigger and more romantic as time goes on. Ah, nostalgia for what never was. Mr. Speaker, the Government cannot afford the luxury of such delusion. It must deal with what is and not with what would be nice.

Mr. Speaker, I considered using the following theme for this speech: "A pox on both your houses." I decided not to use it. Firstly, it's far too negative and, secondly and more importantly and probably totally naively, I think that both the Government and Opposition sincerely think that they're right; and if they are sincere in their thoughts, I can't condemn them; I can

just disagree with them. Mr. Speaker, I am not going to say, "A pox on both their houses"; perhaps a bit of flu, but not a pox.

I would now like to move to another area of economics and it is here that I draw from my own personal experience. As a Social Democrat, I believe that entrepreneurship and free enterprise are a vital part of our economic system. The private sector and the public sector have to live together harmoniously if possible. —(Interjection)— Then we have problems if it's not possible. I have had experience in both the public area and the private area. Mr. Speaker, I am speaking from personal experience when I speak of the problems of the small entrepreneur and small business people and I'm including farmers in my definition of small business people.

As many people are aware, I personally recently suffered a major financial setback. There is an adage that goes, "Never complain, never explain," and on this occasion, I agree with the adage. However, this does not prevent me from speaking of the things I have learned as a result of a very unpleasant episode. Going bankrupt is unpleasant and painful, but it's not fatal.

The day after my difficulties became public, I was flooded by phone calls from my friends giving me moral support. However, after that my phone has been kept busy with calls from business people, farmers in trouble, total strangers, wives of people that are depressed; I have become a counsellor. I had no idea of the depth of the problems out there until I started averaging three and four phone calls a night from people that just wanted to talk to somebody that they thought might understand. It's a harrowing experience listening to what is truly happening out there. —(Interjection)— It is not profitable; because, firstly, I don't want to know their names and, secondly, I wouldn't charge people for doing a service that I think they deserve to have. You know, it is a strange fate, Mr. Speaker, and I would never have predicted that my area of expertise as a lawyer and politician would be in counselling people in how to live with debt.

What have I learned from all of these calls? The answer is obvious. Business people and farmers are in desperate financial straits. Intellectually, we all know this, but knowing with the mind is not like knowing with the heart. Hearing the problems on a one-to-one basis, on a human basis, is totally different from thinking we understand the statistics we read. The excruciating pain and fear that is out there is beyond belief and it is much more pervasive than I thought. Cold, hard fear is stalking this land. I know because I have felt it, seen it and heard it. This fear is threatening the whole fabric of society, our whole way of life. President Roosevelt was right that we have nothing to fear but fear itself. But that's all very well; we have now defined the question again, but what is the answer?

The answer that President Reagan, Margaret Thatcher, Pierre Trudeau and even to some extent our own Premiers have taken is the one that Herbert Hoover gave in 1932. The Americans were smart enough to throw out and make way for the "New Deal." When recovery does come again, it will be as a result of an updated, modernized version of the "New Deal" Government interference massively in the economy.

MR. SPEAKER: Order please. Order please.

We have reached the hour of adjournment. When we next discuss this matter, the honourable member will have 25 minutes remaining.

The House is adjourned and stands adjourned until 2:00 p.m. tomorrow (Thursday).