



Third Session — Thirty-Second Legislature
of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

33 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, Hon. Andy	Springfield	NDP
ASHTON, Steve	Thompson	NDP
BANMAN, Robert (Bob)	La Verendrye	PC
BLAKE, David R. (Dave)	Minnedosa	PC
BROWN, Arnold	Rhineland	PC
BUCKLASCHUK, Hon. John M.	Gimli	NDP
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COWAN, Hon. Jay	Churchill	NDP
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DODICK, Doreen	Riel	NDP
DOERN, Russell	Elmwood	IND
DOLIN, Hon. Mary Beth	Kildonan	NDP
DOWNEY, James E.	Arthur	PC
DRIEDGER, Albert	Emerson	PC
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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
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HARPER, Elijah	Rupertsland	NDP
HEMPHILL, Hon. Maureen	Logan	NDP
HYDE, Lloyd	Portage la Prairie	PC
JOHNSTON, J. Frank	Sturgeon Creek	PC
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KOVNATS, Abe	Niakwa	PC
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MERCIER, Q.C., G.W.J. (Gerry)	St. Norbert	PC
NORDMAN, Rurik (Ric)	Assiniboia	PC
OLESON, Charlotte	Gladstone	PC
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RANSOM, A. Brian	Turtle Mountain	PC
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SMITH, Hon. Muriel	Osborne	NDP
STEEN, Warren	River Heights	PC
STORIE, Hon. Jerry T.	Flin Flon	NDP
URUSKI, Hon. Bill	Interlake	NDP
USKIW, Hon. Samuel	Lac du Bonnet	NDP
WALDING, Hon. D. James	St. Vital	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 19 June, 1984.

Time — 8:00 p.m.

MR. SPEAKER, Hon. J. Walding: Order please.

ROYAL ASSENT

DEPUTY SERGEANT-AT-ARMS, (Mr. Myron Mason):

Her Honour, the Lieutenant-Governor.

Her Honour, Pearl McGonigal, Lieutenant-Governor of the Province of Manitoba, having entered the House at 8:00 p.m., and being seated on the Throne.

Mr. Speaker addressed Her Honour in the following words:

MR. SPEAKER: May it please Your Honour:

The Legislative Assembly, at its present Session, passed a bill, which in the name of the Assembly, I present to Your Honour and to which bill I respectfully request Your Honour's Assent:

Bill No. 27, An Act to amend the Financial Administration Act.

MR. CLERK, W. Remnant: In Her Majesty's name, Her Honour the Lieutenant-Governor doth assent to this bill.

At 8:00 p.m., Her Honour was then pleased to retire.

MR. SPEAKER: The Acting Government House Leader.

HON. L. DESJARDINS: Mr. Speaker, would you be kind enough to call the Second Reading of Bill No. 6, please?

ADJOURNED DEBATE ON SECOND READING

BILL 6 - THE DANGEROUS GOODS HANDLING AND TRANSPORTATION ACT

MR. SPEAKER: On the proposed motion of the Honourable Minister of the Economy, Bill No. 6, the Honourable Member for Morris.

MR. C. MANNES: Thank you, Mr. Speaker, I would just like to make a few remarks regarding Bill No. 6, The Dangerous Goods Handling and Transportation Act. I've taken a small amount of time to review, in detail, the bill, Mr. Speaker. As the Minister points out in his opening remarks, or at least in introducing Second Reading of the Bill, indicates that sort of is a bill which takes over from the Bill 43 passed in the previous Session.

Mr. Speaker, this new bill, of course, is extensive in nature. It's something like many of the bills the government has brought in over the last three years and when one reads through it, there's something striking about it. It seems that it's something like the

day care bill, I think, that was presented to us in the first Session. So much depends, of course, upon regulations; and of course, we don't, at this point, have a whole understanding of any of the regulations that may come forth from this bill.

Mr. Speaker, my main concerns regarding Bill No. 6 are in some of the areas of the definition, particularly in the area including hazardous wastes. No doubt or possibly at least, a fuller definition of that particular term has been offered by the Minister or at least, if not now, by the former Minister who guided Bill No. 43 through the House.

I am concerned as to whether hazardous wastes include manure, farm manure - and I say that because of a growing problem that we're having along the LaSalle River as it pertains to large livestock units - and the way that they may contaminate that water source in years to come. I would hope that the Minister, some time in your closing debate or some time at least in the process of guiding Bill No. 6 through the House, would give me and members of this side a fuller description of really what is meant by hazardous wastes. Certainly I know it includes a chemical component but I am very concerned as to whether it also includes a natural component and a natural by-product of animal husbandry within this province.

Mr. Speaker, I suppose my main concern with the bill is the question as to how it relates to those handlers and transporters of agricultural chemicals. I know from time to time the Minister has tried to calm our concerns by saying various things and making various statements as to how this particular bill, and I would dare say some of the regulations under some other bill, pertain to agricultural people within the province.

Mr. Speaker, I can only use certain specific examples to try and illustrate my concerns at this point. There is a requirement for all people who handle hazardous wastes, that these particular individuals must be licensed. I, Mr. Speaker, would like a broader definition of that. I have read through the Minister's introductory comments offered to the House. I believe - and I may have lost it - I believe it was just the other day but, Mr. Speaker, regardless of that, I can't really see where in those introductory comments the Minister has laid before us all the hazardous wastes, what specific total spectrum of waste he is looking at. I feel that it's very important that he attempt to do that to a major degree.

There is no doubt, as our critic has indicated earlier, that we are very concerned, and that we support the fact that there is a place for legislation regarding the handling and transportation of these particular types of goods. But I'm more concerned about the chemical aspect as it pertains to the agricultural community.

I would ask the Minister, is there somewhere within this act that a great degree of regulation is imposed upon our small supply agro dealers within our rural constituencies, whether they are private in nature or whether they are co-operative in nature?

I would hope that he would attempt to address that question because, without doubt, those of us who do

business, particularly with small co-operatives, small service-orientated co-operatives within our rural areas, regulations that are forthcoming under Bill 6 may cause some very different procedures in the handling and storing of chemicals.

I would hope that the Minister could allay my fears in that regard and would tell me that this particular Bill 6 won't cause to put into place bureaucracy and a severe cost that is going to cause many of the people who service those of us in agriculture, is going to cause them to not want to deal in that type of business because I can say, from first hand, I am aware of where there are chemical leaks within storehouses of small agro service businesses. One just has to go into the storeroom of a business of which I was president of, a small co-operative, and see a pail of 2,4-D amine, for instance, 80 ounces of active acid to the gallon, to see a small leak out of that type of container; and I wonder really what powers an inspector will have under this act to come into that type of facility and cause great stress, not only to the management, but to the volunteer board members of that type of organization.

I am not trying to set aside that type of organization from a private concern, but I think it is important that the Minister, to the extent that he can, tell us what some of the regulations will be under this particular act. I think that is a fair request on our part, Mr. Speaker, because one can't quarrel with a major portion of this bill. It's only once the mechanics are pointed out and are put to paper that we realize that there could be some type of impact which is quite severe upon those businesses that offer, to a large number of people, a service.

Mr. Speaker, I have no difficulty with that part of the act that requires proper packaging of all dangerous goods for transportation. Certainly, it's incumbent upon all people involved in that industry that proper packaging be given to all chemicals within the description of the act and I support that intent of this particular bill wholeheartedly.

I question the requirement for a manifest. I wonder if this will be imposed upon again, the small service businesses to which I referred earlier. Will it be required of all municipalities, all municipal officials who handle particularly insecticides - not too many herbicides are handled by municipalities but certainly a much larger number of insecticides - and I'm wondering if all this type of bookwork, and this type of paperwork is required of people who handle and who distribute that type of chemical on behalf of municipalities and the rate payers therein?

The last half of the bill, Mr. Speaker, is directed heavily to enforcement, heavily upon non-compliance and non-application, and that's become a hallmark of some of the bills presented by the NDP Government over the last three Sessions. One sees a basic operative part to the first half and then the last half of all the bills are the heavy hand of government that are imposed on those who do not follow. I suppose one can't be terribly critical of that but I wonder whether the Attorney-General, who says that's what the law is all about, when half of a bill is devoted to cases and situations where compliance does not occur.

Mr. Speaker, with those few remarks I would have to say that the intent of the bill certainly is supportable by myself and I look forward and hope that the Minister

opposite will address some of the concerns that I have presented here this evening. Thank you.

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

MR. H. ENNS: Mr. Speaker, I move, seconded by the Honourable Member for Rhineland that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: On the proposed motion of the Honourable Attorney-General, Bill No. 10, standing in the name of the Honourable Member for St. Norbert.

MR. G. MERCIER: Stand, Mr. Speaker.

MR. SPEAKER: On the proposed motion of the Honourable Minister for the Environment, Bill No. 11, standing in the name of the Honourable Member for Niakwa.

MR. A. KOVNATS: Stand, Mr. Speaker.

BILL 12 - THE PUBLIC SCHOOLS ACT

MR. SPEAKER: On the proposed motion of the Honourable Minister of Education - the Honourable Member for Morris.

MR. C. MANNES: Thank you, Mr. Speaker, if you can just give me a few seconds to order my comments. I wasn't totally prepared to speak this quickly.

Mr. Speaker, Bill 12, An Act to Amend the Public Schools Act is a bill I suppose that we will find ourselves supporting. We don't have any major concerns to this bill at this time. We, of course, will await public presentation at committee stage to see whether other interested parties, as in the area of education, have any major concerns.

However, Mr. Speaker, I feel that I should put on the record at this time some of the questions that some people may have regarding the requirement of school districts to have and to make available a copy of the final budget for the current year, any year within the last five years, is adopted by the school board and submitted to the Public Schools Finance Board.

Mr. Speaker, nobody can quarrel with the Minister's comments the other day suggesting that every resident within a school division should have access to that type of information. Certainly, I do not. But I think some questions, I suppose, are of concern particularly as it relates to the requirement under the act that some of the areas dealing with private information and individual employee information, of course, has to be made in some sense, public.

Now I know if there's a line requirement, referring only to one individual, that's excluded. I think the Minister was trying to tell me that, and that's covered under the act. If there is a line requirement in the budget that draws specific reference to an individual's salary that, in fact, that's excluded. That would cover off particularly those rural divisions that have only one superintendent, for instance. Where that individual's

salary is highlighted and shown by itself there is an exclusionary clause within this bill that would prevent that information from being shown.

But I think there are other cases where there are only maybe two or three individuals who are covered by a line within a budget, who would have their salaries accumulated. I feel that some protection should be afforded to that group of individuals also. It's a much different case than the single line in the budget that covers all the teachers within a school division. One can't determine from that figure that's presented within the budget really what an individual is receiving, what an individual's receiving by way of increase.

So I, in a sense, applaud the Minister for realizing that specific information that applies to an individual need not be presented. But I'm wondering, in cases where there are two people who have their salaries accumulated and entered in a specific line of a budget, whether in fact they are afforded any type of protection, any type of secrecy. So I think that my concern in this regard is justified, Mr. Speaker.

The requirement to go back five years, the requirement whereby a resident elector comes in and demands the final budgets for the five years previous, Mr. Speaker, on paper there seems to be nothing particularly wrong with that, but I have a concern as to who's going to pay the costs. I don't see as to who is to pay for that. I am told some of the large Winnipeg school divisions, for instance, have a 500-page detailed budget. Now the cost of reproducing those in quantity for the first year, when you take the single run, may be more or less - and I hate to use the word insignificant - but certainly at a much lesser cost than if one is to run off individual copies two or three years after the fact.

Again, I would pose as a question to the Minister, who is to pay this cost? Because obviously, if one runs off a 500-page final budget, one does not have sufficient copies, the cost would have to be in the order of \$50 or 10 cents a page. I would hope that the Minister, Mr. Speaker, would address that specific concern.

Mr. Speaker, the financial statement for the five years previous, I am wondering if - excuse me for one second, Mr. Speaker, I just want to read a couple sentences in front of me - Mr. Speaker, regarding the detailed budget, I am wondering why the Minister feels that a detailed budget line-by-line is required. I haven't had an opportunity to peruse the remarks in her introductory.

Many of the school divisions provide a summary sheet to residents throughout the area and that is a single page and I believe it has some 12 or 16 or 18 line breakouts of costs. I wonder why that information, particularly in the first part, quite often in the spring, when many many meetings are held in various parts of the school division, meetings that are public in nature, meetings where citizens come out to pose a large number of questions to school officials present, why that is not sufficient at that point in time.

I suppose one could ask the question, who wants the detailed information, the 500 pages of detailed budgetary information? In the sense that electors and resident electors want it, I don't have any difficulty with that, as indeed the Minister does, but is there a hidden request for that detailed information by somebody else? We know, for instance, that two years ago the Minister of Education saw fit to take the provisional in the final

budgets that were presented to her by the school division and shift them en masse to the Teachers' Society and some cases before negotiations were completed and finalized, salary negotiations and when one knows of that experience, you wonder why this Bill 12 was brought in. In the sense that individuals and people, and individual citizens within a school division, should have access to the information, no one can argue, absolutely no one.

I am wondering if the Minister can tell me how many residents want 500 pages, in the cases of Winnipeg school divisions, of that type of budgetary information. I dare say, Mr. Speaker, in my view the only association that wants it is the Manitoba Teachers' Society; not that that's totally wrong either, but the particular timing of the request of this information as you know, school divisions have to have filed with the Public Schools Finance Board their final budgets by March 15 of every year. In many cases, salary negotiations with the teacher associations within the school divisions have not been completed.

Now I would hope that the Minister would tell me whether or not that particular information which is to be made public by this act, the final budget to be made public by this act as of March 15, could be used in the negotiation stage between teachers and the board.

Well, Mr. Speaker, if I am wrong in that suspicion of mine, I am sure the Minister will correct me because I wouldn't want to believe for one second that that's the purpose of Bill No. 12.

Again, Mr. Speaker, under the guise of freedom of information and who can attack freedom of information? Well, certainly, I cannot. — (Interjection) — Well, the Minister says, "Good." I would question the necessity of going back five years. I would wonder, again, what is the rationale for going back five years; at whose insistence?

Mr. Speaker, I became involved in education in the fight to maintain a small school some five or six years ago and at the time we had information back one or two years. The board provided that freely, I can't foresee occasions where information is required that far back. Again, maybe the Minister can tell me what the rationale is for using five years? Why not 10? Because obviously the same rationale that would be used for five would also have to be applicable to 10.

Mr. Speaker, as we know, as the Minister has indicated in her Estimates, there is an attempt to standardize the budgetary procedure through all the school divisions. I am wondering, through this attempt to standardize that procedure, whether or not there will be a simplified form of budgeting process and format that will be used throughout all the school divisions, because possibly if there is to the extent that we can consolidate these budgets down to a small number of pages, then no doubt there could be reason and there could be obviously a lot less cost associated with requests that go back five years and also requests that wishes to have the budget over a period of that same year. Mr. Speaker, that's one area of Bill 12.

The other one basically is a housekeeping area. It updates the Education Support Program, it gives it a base of 1985. It builds into the formula the 3 percent increase by statute where previously it was 10.7 percent. My understanding of that aspect of the bill before us is that after 1984 we will have to either have a new

Education Support Program presented by way of legislation or else the Minister will have to come forward again by way of another bill in 1985 requiring legislative support or an extension of the Education Support Program.

Mr. Speaker, with those few words, we are prepared to allow this bill to proceed to committee.

QUESTION put, MOTION carried.

MR. SPEAKER: On the proposed motion of the Honourable Attorney-General, Bill No. 15, standing in the name of the Honourable Member for St. Norbert.

MR. G. MERCIER: Stand, Mr. Speaker.

BILL 16 - AN ACT TO AMEND THE CHILD WELFARE ACT

MR. SPEAKER: On the proposed motion of the Honourable Minister of Community Services, Bill No. 16, standing in the name of the Honourable Member for Rhineland.

MR. A. BROWN: Thank you, Mr. Speaker. The Minister, in her explanation of this bill, said that this bill would expand the definition of child abuse and provide procedures for child and family matters to be handled in a new and unified Family Court and the Court of Queen's Bench.

The definition of child abuse has been expanded to include physical injury, emotional disability, sexual exploitation, and this is a significant change and brings The Child Welfare Act into line with the province's recently announced revised guidelines on identifying and reporting child abuse.

Mr. Speaker, we applaud that portion of the bill. We needed to have a clearer definition of child abuse and we applaud the section in the bill that includes physical injury, emotional disability and sexual exploitation. We feel that this is necessary and we applaud that portion of the bill. However, Mr. Speaker, there are other aspects of this bill which I don't understand at all.

The bill makes provisions that three or more adults, who desire to associate themselves together for the purpose of providing child and family services, may make an application in a prescribed form for incorporation of a society under this part. The bill further provides that if the Minister approves the application in the prescribed form, the persons who have signed the application and, such others as thereafter become members of the society, shall be a body corporate by the name of Child and Family Services Agency of.

This is just a slight change from the Children's Aid Society. They're going to be operating in a slightly different name but they will have all the powers of a Children's Aid Society and it will only take the approval of the Minister to grant three or more adults from forming an association. Mr. Speaker, the reason why I'm so concerned about that section is because it's only a short while ago when the former Minister of Community Services had to get rid of the Children's Aid Society of Winnipeg because there were only 32 people on that board, which was not enough.

Now she is making provision, Mr. Speaker, for three or four people to form a similar agency. I just do not

see the rationale and we certainly must question the Minister on the intent of this bill. It just doesn't seem to make sense. It's just an irrational approach to the entire situation.

We go on "that the affairs of the society shall be managed by a board of not fewer than three directors or such greater number as shall be prescribed from time to time by the order of the Lieutenant-Governor-in-Council." The Minister is assuming a lot of responsibility in this particular bill. She is going to be the sole person who is going to determine whether there should be three, four or more people in this particular agency. Mr. Speaker, that is a far cry from the type of procedures that we have taken so far regarding the welfare of children who are under the care of the Children's Aid Society.

What are the composition of these directors going to be? They can be appointed by order of the Lieutenant-Governor-in-Council. She can appoint three or four people to form a Children's Aid Society. They can be elected by members or, Mr. Speaker, they can be elected by employees of the agency. This means to me that employees of the Children's Aid Society can form an agency of their own and, to me, that would mean that there was a very definite conflict of interest.

This means that three or four employees could vote themselves to be a Children's Aid Society. They could buy an old house somewhere along the line; they could convert it into a residence. They would always be assured that their residence was going to be full of children in need of foster parents because they would be the agency that would be sending those children to that particular place.

I must say that I am absolutely shocked and amazed that the Minister would come up with a bill such as this after all the speeches and things that she has said about how these six agencies were going to serve the population of Winnipeg ever so much better than any other agency has ever done and whatever the Children's Aid Society of Winnipeg has ever done. We were going to see such great improvements. Now we come up with a bill such as this, Mr. Speaker, and I cannot understand what makes the Minister function in that particular way.

On top of that, "that neither the president or an officer or a director of the society, nor any person acting under the instructions of any or under the authority of this act is personally liable or answerable for any debt, liability or obligation of a society or in respect of any act, error or omission of the society or its officers, staff, employees or agents or loss of damage suffered by a person by reason of anything in good faith and without negligence, done or admitted to be done by him or cause, permitted or authorized to be done or admitted to be done by him, pursuant to, or in exercise of, or supposed exercise of, the powers given by this or any other Act of the Legislature."

Mr. Speaker, those three people can operate this Children's Aid Society and not be responsible, they cannot be held responsible for the activities which are going to be going on within this agency. I think that the Minister certainly has a lot of explaining to do when she appears and we certainly will want further clarification on some of the sections that we see in this particular bill.

The bill, of course, also is going to make it possible for the assets of the current Children's Aid Society to

be transferred over into whatever agency is going to be in charge of looking after the children. I must come back again, Mr. Speaker, that we have had no accountability of the Children's Aid Society of Winnipeg, who were dismissed. There has been no annual meeting. There was substantial sums that have been handled by that particular agency and there are substantial assets that are held by that agency. All these assets are going to be transferred over to another agency or agencies - we don't know what the case is going to be - and there's going to be absolutely no accountability. It's just strict transfer and somebody is going to divide the pie without any accountability whatsoever. Mr. Speaker, there are a lot of things in this bill that we must object to.

The bill also makes reference that the Minister may transfer - if the Minister feels that a child somewhere is neglected or somebody comes up with a complaint or whatever, the Minister may direct that particular child to be placed in another agency. Now again, Mr. Speaker, that used to be the role of a board that would make that decision. It was not left to the discretion of the Minister to proceed in that particular direction.

Again, we wonder why the Minister would want to be responsible for the transfer of a child from one agency to the next when there are boards that can look after that particular responsibility. Why does the Minister want that power to transfer one child from one agency to another when that really would be the responsibility of the boards? It's another part of this act, Mr. Speaker, that I just cannot understand.

MR. R. BANMAN: It's a mess, a real mess.

MR. H. ENNS: Who is thinking about the little children while all this is going on? Who's worrying about the child, eh, Arnie?

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please.

The Honourable Member for Rhineland is quite capable of addressing the House. I do not think he needs the assistance of his colleagues.

The Honourable Member for Rhineland.

MR. A. BROWN: Mr. Speaker, these are some of the questions that have to be answered. We have no alternative but to oppose this bill, and I am sure that there is going to be a lot of opposition to this particular bill when it appears before committee.

The Minister also is granted the transfer of court orders from one agency to another. I think that a special concern to us is that three people will be able to form an agency and operate as any children's aid society, and with all the powers granted to a children's aid society.

So, with those few remarks, Mr. Speaker, I am looking forward to more debate when this bill appears before committee.

MR. SPEAKER: Are you ready for the question?

The Honourable Member for Gladstone.

MRS. C. OLESON: Thank you, Mr. Speaker. I move, seconded by the Member for Portage la Prairie, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: On the proposed motion of the Honourable Attorney-General, Bill No. 21.

The Honourable Member for St. Norbert.

MR. H. ENNS: Stand, Mr. Speaker, please.

MR. SPEAKER: On the proposed motion of the Honourable Minister of Labour, Bill No. 22, standing in the name of the Honourable Member for La Verendrye.

MR. R. BANMAN: Stand, Mr. Speaker.

BILL 8 - THE SECURITIES ACT

MR. SPEAKER: On the proposed motion of the Honourable Attorney-General, Bill No. 8, standing in the name of the Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker.

Mr. Speaker, in debate earlier on this bill, my Leader indicated a number of courses of actions and alternatives that the Attorney-General could take in resolving some of the problems he's attempting to resolve with these amendments to The Securities Act. Some of those suggestions involved the proclamation of an act that is standing before the people of Manitoba, as the Attorney-General well knows. There are a number of concerns that my Leader indicated in terms of the anticipatory passage of sections in this bill to comply with legislation yet to be passed in Ontario. My Leader laid those concerns out for the Attorney-General quite well, and I don't intend to repeat them tonight.

However, what I intend to do, Mr. Speaker, with your permission, is to deal with another aspect of the Securities Commission. I will make no bones about it. My comments are going to be purely political comments as to the actions of this government and this new Minister responsible for the Securities Commission in the Province of Manitoba.

Mr. Speaker, in dealing with the Estimates of the Department of Consumer and Corporate Affairs, the Attorney-General indicated several things in his opening remarks. One of them basically, and I won't read the quotation verbatim but, Sir, one of the concerns that the Attorney-General indicated to committee in dealing with his Estimates and introducing them was the lack of staff that is a problem at the Securities Commission, and is preventing the Securities Commission from acting in two regards: expeditiously, No. 1; and No. 2, with a broader mandate which amendments to The Securities Act could provide to the Securities Commission.

The Attorney-General indicated in his Estimates that this was a problem they recognized. I give them credit for recognizing it, but I don't give them any credit for indicating that it was a problem, Sir, that could not be addressed this year because of financial constraints, budgetary restraints, and a situation which would be considered by the government in preparation of next year's Estimates.

Specifically, Mr. Speaker, that argument won't wash with members of the opposition, and it won't wash with

the people of Manitoba. This government is not talking about a major expenditure to put the staff in place necessary, No. 1, to bring in the amendments to make the Securities Commission more effective and The Securities Act more able to allow the Securities Commission to undertake their responsibilities in an efficient and effective way. The argument of shortage of money won't wash with members of the opposition in view of the fact of two major things.

First of all, the government has consistently run up a \$500-million deficit. More importantly, Sir, the government has some 80 personal staff working in a purely political role on behalf of the government, not to mention a number of imports from Saskatchewan who are under contract to the government for various consulting functions like the former Chairman of the Potash Corporation of Saskatchewan and others. The government cannot sell the argument that financial constraints prevented them from doing what was necessary in the Securities Commission in terms of additional staff hiring, because they haven't demonstrated fiscal responsibility in an overall dimension because we still have a \$500-million deficit.

Secondly, they have hired, as I mentioned, 80-some-odd personal staff: special assistants, legislative assistants, communications specialists, and a myriad of personal staff. I have to say, Mr. Speaker, that those 81 politically-appointed people, adherents to the socialist philosophy, card carriers of the New Democratic Party, I can't argue with the fact that they've hired them. I can't argue with the fact that they are being used, because the government has researched every single word spoken in the last six years in this Legislature by members that are here.

They can drag up quotes and questions and examples, and that's what these 80-some-odd political staff are doing, which is fine, that's the prerogative of the government to hire them if they so desire. It's not right, but they can do it, and they have done it. But don't hand us the argument that because of financial constraints for some additional six to eight staff members in the Securities Commission and the financial constraints preventing you from hiring those staff at salaries of maybe, and I'm speculating, an average of \$25,000 per year - don't hand me that argument - when you've packed your offices with political appointees at salaries averaging \$30,000 per year and in numbers around the 80 mark, when all you need is less than 10 people at less salary to undertake the proper operation of the Securities Commission.

What will the Securities Commission do for the people of Manitoba? Well certainly, Mr. Speaker, they won't research speeches made on this side of the House to gain debating points in this House, and provide Ministers with instant answers so that they appear competent on the television cameras in question period. Certainly the Securities staff won't do that, those eight additional people there.

But what they will do is enable the financial institutions of this province to operate quickly and effectively in response to applications made to the Securities Commission for the selling of new companies, of new business enterprises that want to commence business in Manitoba, to employ Manitobans. But no, no, no, no, Mr. Speaker, that's not the priority of this current government. They talk about job creation. They talk

about support of the private sector, but their hiring priorities are 80 political staff and nothing for the Securities Commission that can allow the private sector to get on with the job of making the Manitoba economy healthy.

So I don't buy in any way, shape or form the arguments put forward by the Attorney-General in his limped defence of action that may happen next year in the perusal of Estimates next year wherein the government may bring on additional needed staff in the Securities Commission. I don't buy that for one moment, Mr. Speaker, when there are 80 political hirelings supporting the staff of this government, researching speeches for purely political debating points and little other function of benefit to the people of Manitoba and, at the same time, allowing the Securities Commission to operate at less than an efficient level because of staff shortages, at less than an efficient level because needed amendments aren't being passed because they would require additional staff, I don't buy that argument for one moment, Mr. Speaker.

I don't buy the argument of the dollar value involved for one moment also, Mr. Speaker, because we know that all of the departments of government have been required, in various degrees and in various forms, to contribute departmental funds to the Jobs Fund. The Jobs Fund is theoretically there to create jobs for Manitobans, to allow the government to advertise on the radio, the television, the newspapers, in the shopping centres, to put up the big, square, green signs: "Another Jobs Fund Project."

I'll admit, Mr. Speaker, they can't put a Jobs Fund sign in the hallway, in the entrance to the Securities Commission saying that these additional six staff have been hired because of the Jobs Fund. I agree that that can't be done because it wouldn't be bought by the people of Manitoba. But where is the government's priority? In advertising to make the government appear better than it is? In advertising to bolster the public image of the government? In hiring in the Jobs Fund or hiring to provide additional staff so that the Securities Commission can operate efficiently, effectively and for whom? For the business community in Manitoba and, ultimately, for each and every Manitoban desirous of seeing this province progress, develop and grow through the expansion and initiative of the private sector; and for those Manitobans who would be employed gainfully in permanent, long-term jobs - not short-term Jobs Fund jobs - but permanent, long-term jobs by new investment, new business initiative in the Province of Manitoba if the Securities staff was operating at the capacity it could operate at should the Attorney-General, in his capacity of Minister responsible, bite the bullet and hire the new staff that's necessary.

The money is there, Mr. Speaker. It is there in the Jobs Fund. It is there in the advertising budget of this government for the Jobs Fund. For various other areas of advertising this government undertakes, the money is there. Indeed, Sir, the money is there, because this government has hired a multitude of political staff to attempt to bolster their public image.

The Attorney-General is a reasonable man. He's a decent sort of a gentleman. He understands.

A MEMBER: Who?

MR. D. ORCHARD: The Attorney-General is.

A MEMBER: Don't get carried away now.

MR. D. ORCHARD: He's not the kind of vicious, vituperous, miserable person that some of his colleagues are. He's a decent sort of a gentleman. He's not that bad a fellow, Mr. Speaker. He really isn't. As much as you may disagree with me, Mr. Speaker, he's not that bad a fellow. I have talked to him in the halls.

A MEMBER: You haven't.

MR. D. ORCHARD: I have. I've talked to him in the halls. He's a decent, understanding sort of a person. But, Mr. Speaker, why has he been unable to deal with a very obvious problem in the Securities Commission under the control of his responsibility for the Department of Consumer and Corporate Affairs? Because, Sir, he can't get additional staff past good old "Killer" Cowan on the Treasury Board and other members responsible — (Interjection) — oh, Mr. Speaker, I did it.

MR. SPEAKER: Order please. The honourable member knows that he should refer to members of the Treasury Bench by their office and not by name or nickname. The honourable member.

MR. D. ORCHARD: Yes. I apologize, Mr. Speaker. I should not have referred to the Member for Churchill as "Killer" Cowan. I withdraw that remark.

But the Attorney-General cannot get past the Chairman of Treasury Board and the Minister of Finance the necessity for additional staff hirings at the Securities Commission. But if any one of those Ministers wishes to hire another special assistant, executive assistant or communicator, that is approved, Sir. That is approved without question. Some 80-odd number of them have been approved already.

So we don't accept the argument from the Attorney-General that these people cannot be hired because of financial constraints. As I said when I introduced my remarks, my Leader dealt with the legislative capability that the Attorney-General needs in Consumer and Corporate Affairs and what is needed and what is there and what will work to make the Securities Commission work on behalf of the business community and the people of Manitoba and I am telling the Attorney-General, in his responsibility, where he can get the money from. I am also telling him at the same time, Mr. Speaker, that the money would be better spent in staff at the Securities office than in an extra five or six political appointees serving the Minister's personal needs in this House.

I'm also telling him that if they choose not to find the money there that they can find it in the \$200 million Jobs Fund which has been, in the majority, bled from the line departments; their reductions in expenditures there, 25 million alone from the Highways Department. They could use one small portion of that to retain additional staff in the Securities Commission. They have the money, that is not the argument. They have identified the need, as the Attorney-General did in introducing the Estimates of the Department of Consumer and Corporate Affairs. He identified the need.

All they need, Sir, is the political will to do it because my leader provided them with the legislative framework under which they can do it; I'm providing them with the financial ability under which they can do it. All they need to do is bite the bullet; either dismiss some of your political appointees as executive assistants, or special assistants, or communicators, or take the money from the Jobs Fund and hire these people so that the business community can be better served by this government. And it would give this government credit, and that disturbs me, but I'm more interested in seeing the Province of Manitoba go ahead.

I'm willing to allow this Attorney-General to take credit for having the business community go ahead, through additional staff hirings at the Securities Commission. I'm willing to do that, and I beg of the Attorney-General to simply appeal to the Minister responsible for the Treasury Board, and the Finance Minister, to allow him to undertake the hirings necessary, not in next year's Budget, but now, Sir.

Thank you very much.

MR. SPEAKER: Are you ready for the question?

The Honourable Attorney-General will be closing debate.

HON. R. PENNER: Mr. Speaker, I'll be brief because there's other business of the House to transact. We've spent the last 10 minutes doing anything but transact the business of the House, at least in terms of relevance. Whatever else one might accuse the Member for Pembina of relevance isn't one of them. We could introduce a resolution to congratulate the Prince and Princess of Wales on the birth of a child and he'd get up and talk about the Jobs Funds, 80 political appointees, you know. Any bill that was called tonight he could have got up and talked about the Jobs Fund and the 80 political appointees.

I'm going to deal with the bill, and I'll deal very briefly with the bill. No. 1, I just checked my introductory remarks on introducing this bill and not one word was said in justification of the bill that it related to the notion it was being introduced because there was a shortage of staff in the Securities Commission and the mean old Treasury Board, of which I'm a member, wouldn't let me have the staff and, therefore, I'm coming crawling to this House to help me out of this difficulty with the Securities Commission by this circuitous way of dealing with the problem. What utter palpable idiotic nonsense.

The reasons for introducing the bill were the need to deal with a situation that has arisen because The Securities Act which was passed but not proclaimed is presently in certain ways out of date. We want to examine some of the developments which are taking place in co-ordinate jurisdictions in the Province of Alberta, the Province of Ontario, and address ourselves to those. In looking at either an amendment to the existing, but unproclaimed bill, which I would hope to be able to do before the end of this Legislature, or to bring in what might be more appropriate is a brand new bill.

I say what might be more appropriate because the more I hear, in the words of the Leader of the Opposition, almost frantic urging that we don't do these amendments but we proclaim the bill that they enacted,

the more I worry about that bill, and the more I want to look it over with a very close inspection, the more I want to comb through it with a very fine tooth comb because I'm a little bit worried about whether or not it is somewhat too permissive.

We know that we have a duty with respect to securities legislation, not only - and I would readily grant this - to permit the aggregation of capital for legitimate business ventures, but also to protect investors. And I finally say this, the Leader of the Opposition went through a detailed analysis of the bill and said that he was addressing concerns which he felt were being raised by the industry, and that I hadn't spoken to the industry. Subsequently I took his injunction to heart and I spoke to members of the industry, and I can say that their concerns are with two sections only - Section 5 and Section 6.

With respect to Section 5, the threshold limit. I draw attention to the House that that section does not come into force on assent, but only on proclamation and may never be proclaimed if, in fact, Ontario does not itself change its threshold limit. We'll be scrutinizing that and it may be that if there's no change in the Ontario legislation by the next Session of this House that will go by the wayside. But we want to be in a position to protect the industry in Manitoba should these developments take place in Ontario.

With respect to Section 6 of the proposed bill, the amending bill, that in fact allows the Securities Commission to use the same kind of discretion that is available in the unproclaimed Bill 72 so that, should the need arise for us to assist the industry in aggregating capital to be able to create certain exemptions to follow the 75/25 Rule, or the 50/25 Rule, we can do so while we're looking at the kind of legislation which we want to bring into existence and I hope sometime within the next year.

So with these concluding remarks, Mr. Speaker, I want to point out that I have paid attention to the remarks made by the Leader of the Opposition. I have discussed those remarks with security staff and with the industry and I'm satisfied that we're doing the right thing in bringing in this amending bill.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable House Leader.

HON. A. ANSTETT: Thank you, Mr. Speaker. I move, seconded by the Honourable First Minister that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for River East in the Chair for the Department of Executive Council.

COMMITTEE OF SUPPLY EXECUTIVE COUNCIL

MR. CHAIRMAN, P. EYLER: We are considering the Estimates of the Executive Council. Does the Minister have an introductory statement?

HON. H. PAWLEY: Except to simply comment that the Estimates are before us. I think the honourable members would be interested in the reasons for the increase in respect to General Administration. I would like to just itemize those areas of increase. The total amount of increase is \$675,000 for an increase of 36.4 percent. Within that increase is Royal and Papal Visits, 468,100, which may very well be certainly an underestimate of the costs of the Royal and Papal Visits if they should proceed as planned.

Other Items involve the normal salary adjustments due to merit increase adjustments, additions to the staff involving a special assistant Outreach co-ordinator, assistant communication secretary. Also, under Operating Cost Increases, an increase in grant under the program dealing with Third World countries; that's the International Development area. Also, the WATS telephone cost increase, stationery and word processing. Basically, those make up the additional costs in respect to General Administration.

MR. CHAIRMAN: The Leader of the Opposition.

MR. G. FILMON: I wonder if the Premier could indicate two things. Firstly, what are the responsibilities of the Outreach co-ordinator, or his office, and who is that person reaching out to? Secondly, what is the government's policy now with respect to word processing equipment in view of the fact that it appears as though it's been installed in the Executive Council office? I note that it is installed in a number of ministerial offices. Will it be, as well, installed in the Leader of the Opposition's office?

HON. H. PAWLEY: Mr. Chairman, the co-ordinator's responsibilities are as follows: First, to help co-ordinate position papers, reports, recommendations pertaining to various interest groups that relate to various government programs; to co-ordinate research and analysis of existing provincial policies and programs as they relate to various groups; to co-ordinate government responses regarding issues of concern to various groups in the province - of course, that requires a great deal of a response mechanism - to prevent duplication of contact between government departments and groups to minimize that kind of duplication that can occur; also to ensure that Manitoba citizens are aware of programs for which they're eligible, and while this is basically a responsibility of government departments, the Outreach co-ordinator is necessary to ensure that fragmentation doesn't occur, to provide information within the context of all programs within government.

Insofar as the word processor is concerned, I would need to have some further information. I know at one point a word processor was available to the office of the Leader of the Opposition. Is the Leader of the Opposition indicating that a word processor is not available to his office, the services of a word processor?

MR. G. FILMON: Mr. Chairman, I am wondering if the Minister is referring to the fact that there is a central word processor - I believe it's in the basement of the building - that services all offices, but my understanding from his review of the Estimates is that he specifically has a word processor at his disposal.

HON. H. PAWLEY: Mr. Chairman, the word processor was installed by Premier Lyon in the office.

MR. G. FILMON: Mr. Chairman, just one further question about the Outreach co-ordinator. Who was performing those functions that the Minister delineated prior to the hiring of that person, and who is the person who is the Outreach co-ordinator?

HON. H. PAWLEY: There was none previously. The person's name is Wendy Gerecke.

MR. G. FILMON: I realize that there was none previously. I am asking who was doing those functions that the Premier listed previously?

HON. H. PAWLEY: Mr. Chairman, in my view, the functions have not been done adequately so that, in fact, they were done not in a manner that resulted in efficiency and assure that these functions were properly conducted and fulfilled responsibility to various groups that did relate to the needs I outlined earlier.

MR. G. FILMON: The Premier is indicating that somebody was doing them, but not adequately?

HON. H. PAWLEY: No one was designated to do those functions, but it was much more haphazard insofar as their actually being doing.

MR. CHAIRMAN: 1.(b)(1) - the Member for Elmwood.

MR. R. DOERN: Mr. Chairman, I wanted to raise an issue under this item concerning what I regard as an inaccurate and malicious personal attack on a citizen of this province, namely, Mr. Grant Russell. This was in regard to statements made by the Premier in February and . . .

MR. CHAIRMAN: Order please. The Premier on a point of order.

HON. H. PAWLEY: Mr. Chairman, I have to look to your guidance in this respect, and I do ask for your guidance as much for Mr. Russell as for myself as it's well known Mr. Russell has undertaken legal action which is presently before the courts.

MR. CHAIRMAN: If the matter is before the courts, it ought not to be referred to in the House.
The Member for Elmwood.

MR. R. DOERN: Well, Mr. Chairman, I don't know whether or not I can make a distinction between the Premier acting as an individual or the Premier's office, but my concern is as follows. Because of the actions of the First Minister, Mr. Russell is now lying in an intensive ward . . .

MR. CHAIRMAN: Order please.

MR. R. DOERN: . . . in a hospital from a heart attack. I don't know . . .

MR. CHAIRMAN: Order please. I believe that matter is before the courts.

MR. R. DOERN: Well, Mr. Chairman, then I want to ask for clarification of the nature of the suit against the Premier. Perhaps the Premier could shed light on the exact nature of the charges brought against him, because I'm not exactly familiar with that. I would like to know whether or not it is possible to discuss some aspects or all aspects of the Premier's action in that regard?

HON. H. PAWLEY: Mr. Chairman, I have no intention of engaging in a discussion on a civil matter before the courts.

MR. CHAIRMAN: Order please. The Member for Elmwood to this point of order.

MR. R. DOERN: On the point of order, I think it's all too frequently used in this House as a technique or a method of stopping debate. This is not the first instance we have seen in that regard.

I am asking for a clarification of the nature of that lawsuit. The fact that something is before the courts does not necessarily preclude debate in this Chamber or outside of this Chamber. I would like to know the nature of the lawsuit that Mr. Russell has registered against the Premier. Then I would like to know whether or not it is in order to discuss what I regard as a misuse and abuse of the Premier's office to attack a private citizen of this province.

MR. CHAIRMAN: Order please. The Government House Leader to the same point.

HON. A. ANSTETT: Yes, Mr. Chairman, the sub judge convention is reasonably clear certainly in civil cases, although there is on occasion some doubt as to the appropriateness of the application of the convention, it's clearly applied when civil actions have reached the trial stage. I understand that in this action this is the case. A statement of claim and a statement of defence have been filed. This case is at the trial stage, and I submit the convention should apply and the member should desist from discussing the case in any way as provided for in Citations 335 to 337 of Beauchesne.

MR. CHAIRMAN: Order please, order please, order. If the civil case has proceeded to the trial stage, Rule 337(2) states, and I quote, "In civil cases, the convention does not apply until the matter has reached the trial stage."

Order please. The Attorney-General to the point of order.

HON. R. PENNER: First of all, I can confirm that a statement of claim and a statement of defence have been filed. When that happens, the case is said to be "at issue" and that, in my view, constitutes the trial stage. It certainly is, in my view, sub judge and it would be wrong to enter into discussion of it at this time. It would be subverting the regular routine of the courts; it would be subverting the rightful function of the courts.

Since, in any event, Mr. Chairperson, both of these documents are, by being filed in the court, public documents, if the member really does want to ascertain what the case is about and not just clutter up these

proceedings with his own mucking about in them, he can walk across tomorrow to the Prothonotary's office and he will find out. But in this House, it is sub judice.

MR. CHAIRMAN: The Member for Morris to the same point as to whether or not the issue is at the trial stage.

MR. C. MANNES: Mr. Chairman, I am not going to enter into a debate with the Attorney-General, but just a week and a half ago, I heard members in the House of Commons debate the language issue of Manitoba right at the same time, one week before the reference was taken to the Supreme Court, or the day before. Surely, in that case, that would have been considered an issue that was at trial, using the logic of the Attorney-General. So, Mr. Chairman, I say that the ruling that is within your rule book covers a trial once it's begun.

MR. CHAIRMAN: The Member for Pembina to the same point as to whether or not the issue is at trial stage.

MR. D. ORCHARD: Furthermore, Mr. Chairman, to add to the comments of my colleague, the MLA for Morris, not only was the issue, which was ruled out of order in this House because it was before the Supreme Court, debated in the House of Commons but, indeed, the Crown corporation, CBC, carried well within the time that we were being ruled out of order in this House, a documentary on the language issue in Manitoba.

This issue, Mr. Chairman, has not reached trial stage. — (Interjection) — I am speaking on the point of order; the Attorney-General is not a recognized speaker filling your ear from his seat and I would wish that the Attorney-General would allow me to finish my remarks.

Mr. Chairman, on the point of order, the MLA for Elmwood, if I understood his remarks on the television and in the caucus room, what he is trying to establish is the appropriateness of the Premier's office, the highest elected political office in this province, the appropriateness of his office in making comments, casting innuendo against a citizen of Manitoba; that's what is being decided. It is not before the court, Mr. Chairman.

MR. CHAIRMAN: Order please, order please. Order.

The Member for Elmwood as to whether or not this issue is before the courts.

MR. R. DOERN: Yes, Mr. Chairman, on a couple of points that are being talked about, I don't know because I am not a lawyer; I cannot say whether or not it is true that this is now in the trial stage. All we have heard is that documents have been filed and no one has given us a clear definition of what the trial stage is.

But I want to say that in regard to matters that are sub judice, I sat in the Supreme Court of Canada last week and on the Tuesday, in the midst of the hearings, in the mid-point of the hearings, the Prime Minister of Canada sent a letter to Bill Davis, the Premier of Ontario, pressuring him in regard to official bilingualism.

MR. CHAIRMAN: Order please, order please.

MR. R. DOERN: Mr. Chairman, I think I have a right to conclude my points.

The Prime Minister of Canada was able to make public statements on a matter that had direct bearing on a case that was in the midst of a Supreme Court hearing, and nobody said anything about that.

MR. CHAIRMAN: Order please, order please, order please.

The Member for Elmwood is not speaking to the point of order as to whether or not the issue is at the trial stage.

The Member for Elmwood.

MR. R. DOERN: We are discussing two things. We are discussing the nature of the charge that apparently has been made, a legal case that has been made by Mr. Russell against the Premier . . .

MR. CHAIRMAN: Order please, order please, order please.

The point of order before the House and before the committee at the moment is whether or not the issue has arrived at the trial stage. I am prepared to make a ruling on that matter at this time.

I accept the opinion, the judgment of the Attorney-General that if the statement of defence and claim has been filed, it is at the trial stage. Since the matter is at the trial stage, it is sub judice and therefore is not a matter for consideration in the House at this time.

The Member for Elmwood.

MR. R. DOERN: Mr. Chairman, I then challenge your ruling.

MR. CHAIRMAN: All those in favour of sustaining the Chair, please say aye; those opposed, please say nay. In my opinion, the ayes have it.

The Member for Elmwood.

MR. R. DOERN: Yeas and nays, Mr. Chairman.

MR. CHAIRMAN: Does the member have support? The member does not have support.

Item 1.(b)(1)—pass; Item 1.(b)(2)—pass; Item 1.(c)—pass; Item 1.(d)—pass.

Item 1.(e)(1) - the Member for Elmwood.

MR. R. DOERN: Mr. Chairman, I would like to ask some questions here, assuming they are not sub judice, concerning the French Language Services. I would like to ask the Premier if he can give us a breakdown of the salaries in his office - \$74,600 - how many employees, how much workload. To me, this would appear to be a significant amount of money and it would be interesting to know whether that sort of service is required. I assume that there is very heavy mail coming in in the French language to warrant that type of expenditure.

HON. H. PAWLEY: Mr. Chairman, there are two employees. Mr. Roger Turenne who was hired, in fact, by the previous administration in respect to this particular area of responsibility, and then there is a secretary. I assume there has been a secretarial position for the last several years as well.

MR. DEPUTY CHAIRMAN, S. Ashton: The Member for Elmwood.

MR. R. DOERN: Is the First Minister then stating that there are two people then, Mr. Turenne and one assistant?

HON. H. PAWLEY: Yes.

MR. R. DOERN: So this is really the French Language Secretariat which is attached to the Premier's office.

HON. H. PAWLEY: Yes.

MR. DEPUTY CHAIRMAN: Item 1(e)(1)—pass; 1(e)(2)—pass; Item 1.(f)(1) Citizens' Inquiry Service: Salaries—pass; 1.(f)(2)—pass.

Item 1.(g)(1) Royal and Papal Visits - the Member for Elmwood.

MR. R. DOERN: Mr. Chairman, I would like to ask a few questions here concerning these visits. I believe that the people of Manitoba are extremely interested in these two visits. It is certainly unusual for Manitoba to be so fortunate as to have a visit from Her Majesty the Queen and also from Pope John Paul, which is really a once-in-a-lifetime event. I think everyone is hoping that the visits take place, and are not interfered with through a federal election or anything else.

I wanted to ask the Premier, just for clarification, when the last time was that Her Majesty visited Manitoba.

HON. H. PAWLEY: Mr. Chairman, I believe it was in 1970.

MR. R. DOERN: So it was 14 years ago the last time. If that visit is cancelled, then it may be a long time again.

The other thing that I would like to ask is again whether the Premier can indicate, out of \$468,000, approximately how much money has been spent at this point in time, and when the full amount will be committed.

HON. H. PAWLEY: Mr. Chairman, I understand that approximately 15 percent of that amount which was allocated has been spent up to this point.

MR. R. DOERN: Again, something we discussed the other day, is the Federal Government providing any matching funds, or are they obligated in any way to any of our expenditures?

HON. H. PAWLEY: Mr. Chairman, the Federal Government, it is my understanding, spends considerably more than the province. They're responsible in respect to interprovincial transportation, responsible for security which is a major portion of the expenses. Those would be the main areas of expenditure that the Federal Government would encounter in regard to the visit by Her Majesty.

MR. R. DOERN: Something that would probably be of interest to the members of the Chamber, is it true that the members of the Chamber are going to have an opportunity to first of all attend a provincial dinner and, secondly, receive an introduction to Her Majesty?

HON. H. PAWLEY: Mr. Deputy Chairman, I understand that all members of the Legislature will be attending a provincial dinner, and all members will be presented prior to the provincial dinner to Her Majesty

MR. DEPUTY CHAIRMAN: 1.(g)(1)—pass; 1.(g)(2)—pass.

Resolution No. 5: Resolved that there be granted to Her Majesty a sum not exceeding \$2,531,700 for Executive Council, General Administration—pass.

Item 2. Information Services, Salaries - the Leader of the Opposition.

MR. G. FILMON: I wonder if I might ask the Premier, in respect to Information Services and the news releases that come out now under the new heading, the new letterhead, whether or not the principle still holds true that those must be drafted by the Information Services Branch itself, or whether or not there is latitude for communicators from individual departments to draft these releases and place their names on them.

HON. H. PAWLEY: Mr. Chairman, the releases from Information Services are prepared in the first instance by the departments, and then edited by Information Services prior to their distribution.

MR. G. FILMON: So in effect, Information Services have just become an editing sort of operation, and all the releases are now being drafted and written by the communicators in the individual departments?

HON. H. PAWLEY: Mr. Chairman, there are a number that Information Services continue to write and to distribute. There are others that are prepared at the department level, and then are edited at the Information Services level.

MR. CHAIRMAN, P. EYLER: The Leader of the Opposition.

MR. G. FILMON: Any indication, Mr. Chairman, what percentage of those might be totally drafted and written by the Information Services Branch now?

HON. H. PAWLEY: Eighty-five percent originate in the departments, and 15 percent are from Information Services.

MR. G. FILMON: Only 15 percent are now being done by Information Services, and there is no reduction in staff according to this line?

A MEMBER: What kind of a staff have they got there, Gary?

A MEMBER: They were moving them all around.

HON. H. PAWLEY: Mr. Chairman, I think that the staff is reduced from 16 to seven in Information Services.

MR. G. FILMON: How is it that the appropriation is the same then, Mr. Chairman?

HON. H. PAWLEY: That change took place in the previous fiscal year, the reduction in staff. So that insofar

as there being no change in respect to the amount of monies, the change in respect to staffing, the change in respect to practice took place not during this particular fiscal year but the previous fiscal year.

MR. G. FILMON: Mr. Chairman, what justification is there, if they are only responsible for 15 percent of the releases, for them to be doing just an editing job? It would seem to be a duplication of efforts, and it would seem to me that in fact the department has been emasculated and they are really just being tolerated by this government who has hired their own communications empire in every department throughout the government.

HON. H. PAWLEY: Mr. Chairman, there are many various functions: co-ordination, dissemination of materials, the TV function, other areas pertaining to photography, to camera. There are many functions that exist insofar as Information Services are concerned way beyond that of the preparation of news releases.

MR. G. FILMON: How many of the seven staff persons are actually writers, Mr. Chairman? Can he just delineate what are the seven staff positions in Information Services?

HON. H. PAWLEY: Mr. Chairman, Mr. Donogh, Mr. Heppner, Mr. Hyman, Mr. MacAulay, Mr. Proveda, Mr. Van Ry and D. Schmeichel; the positions respectively being director, administrative secretary, assistant director, administrative secretary, media editor, media editor and media technician.

MR. G. FILMON: Mr. Chairman, there are two secretarial positions then, three media specialists, a director, an assistant director, and that's the extent of it. Am I right?

HON. H. PAWLEY: Media technician. There is a director, as was mentioned, and assistant director. There is the radio editor and the TV editor and the technician and two secretarial.

MR. G. FILMON: Can the Premier give us a number, an indication as to how many communications specialists there are throughout the Civil Service now, spread out in all the various departments?

HON. H. PAWLEY: Mr. Chairman, we'd have to take that as notice.

MR. G. FILMON: Is the figure of 80 a reasonable figure?

HON. H. PAWLEY: Mr. Chairman, I would have to get that information. I think it depends a great deal on the definition. If you're including all the staff which were in Agriculture and in Resources in that figure, then it would be a larger figure than that if you're only discussing communicators.

MR. G. FILMON: Mr. Chairman, we found from various other questions that have been asked during the course of Estimates debate that, for instance, a department with a relatively small budget such as Energy and Mines

has five, and a department such as Education has eight, I believe, and on and on. So if anything, it would seem that the figure of 80 is probably light.

Mr. Chairman, I think that it should not go unnoticed that this government is spending an inordinate amount of money in the hundreds of thousands of dollars on communications endeavours that had been confined in the former government, primarily to Information Services in a central sense with perhaps one communications officer in each department. So we were dealing with 16-plus, 18 departments or so, something certainly in the range of no more than about 30 to 35 people. It has now ballooned to a total of 80.

I am told that, in addition to that, there are all sorts of contractual agreements with people, who do not show up in the staff person years in the Estimates, that are doing writing and apple-polishing to try and prop up a sagging image of a sad government.

HON. H. PAWLEY: Mr. Chairman, it is my understanding that the number of positions as of this point, whether it's 80 or 70, is approximately the same number of positions that existed in November of 1981.

MR. G. FILMON: Nonsense, nonsense.

A MEMBER: That's simply not true.

HON. H. PAWLEY: Mr. Chairman, since honourable members are saying, not true, we will be bringing in for the honourable member comparative figures insofar as those that now exist in the fields of communication and those that existed in November of 1981. But the estimate of the numbers that are involved are approximately the same now, two-and-a-half years after our election in November, 1981. We will get the figures, and compare November '81 with the present time.

MR. G. FILMON: Mr. Chairman, will the Premier then agree to identify all those that don't show up in the staff complements directly to the departments and collecting monies, from Energy and Mines that are on a Canada-Manitoba joint sub-agreement, five people who are communication specialists, writers, information officers who don't even show up, or the others who are on term contractual agreements who don't show up in the regular staff complement of these departments? Will he ensure that his figures include all of these various people?

HON. H. PAWLEY: Mr. Chairman, if the honourable member is referring to agreements, it may very well be so. I must certainly point out to the honourable member that this government has signed agreements, and makes no apology for many many agreements that have been signed with the Federal Government . . .

MR. G. FILMON: Agreements to hire information officers. Those are great agreements.

HON. H. PAWLEY: . . . involving some \$400 million by way of additional investment in the Province of Manitoba. So if the honourable member is referring to . . .

MR. G. FILMON: So that's the justification for hiring all these apple-polishers, right?

HON. H. PAWLEY: Mr. Chairman, I am not going to engage in that sort of discussion. As I indicate, the numbers that are involved now are approximately the same as was the case in November, 1981, insofar as communications are concerned.

A MEMBER: Nonsense.

HON. H. PAWLEY: We'll bring the figures in.

MR. CHAIRMAN: 2.(a)—pass; 2.(b)—pass.

Resolution No. 6: Resolved that there be granted to Her Majesty a sum not exceeding \$335,400 for Executive Council, Information Services, for the fiscal year ending the 31st day of March, 1985—pass.

Item 3.(a) Advertising Audit Office, Salaries—pass; 3.(b)—pass; 3.(c)—pass; 3.(d)—pass.

Resolution No. 7: Resolved that there be granted to Her Majesty a sum not exceeding \$317,500 for Executive Council, Advertising Audit Office, for the fiscal year ending the 31st day of March, 1985—pass.

Item 1.(a) - the Leader of the Opposition.

MR. G. FILMON: Mr. Chairman, I would like to ask the Premier very simply what justification he can give this House and the people of Manitoba for his ability to receive this salary?

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please.

HON. H. PAWLEY: On the Minister's Salary, I would be glad to speak at some length if that's what the honourable member would like.

MR. CHAIRMAN: Order please, order please. The Minister's staff should be leaving now.

Mr. Premier.

HON. H. PAWLEY: Mr. Chairman, I think it's a very interesting question the honourable member has asked, because of the many many positive developments and occurrences that have taken place during the past two-and-a-half years. Mr. Chairman, first and foremost, of course, is the fact that this government, unlike some previous administrations, has managed to ensure that there be a much more effective recovery in respect to the recession than has been the case in most parts of the country. There is no stronger evidence that is available in that respect but the fact that Manitoba does enjoy the lowest unemployment rate presently in Canada.

The Honourable Member for Elmwood may smile but, I think to Manitobans as a whole, this is not a matter that is taken lightly, that of unemployment. It is a matter that is serious. Mr. Chairman, unemployment in Manitoba is still too high. It is also far too high in Canada as a whole but at least there has been significant success in respect to various programs by this government in reducing the levels of unemployment, and increasing the numbers that have been employed. At the same time, according to the projections by Statistics Canada, Manitoba will enjoy the highest rate of total investment increase dollar-wise in Canada as

a province, no small feat indeed that we would have accomplished that.

I could, Mr. Chairman, deal with other economic indicators that have demonstrated that, insofar as Manitoba's position is concerned in respect to other parts of this country, we have done equal or better than other provinces. So during the two and-a-half years we have managed, and it has been difficult, but we have managed to move the economy of Manitoba from a back seat position at least into a front seat position in relationship to the rest of the country as a whole, and it's not always easy. It's sometimes difficult, but we have managed, and I believe it has been generally recognized by observers, to encourage federal-provincial co-operation.

We, as a government, have set aside jurisdictional or partisan differences and thus, Mr. Chairman, we have seen the results of important federal-provincial agreements that have been signed during the past six months, totally in excess of \$400 million. Whether it be by way of transportation, whether it's in the field of agriculture, whether it is mining, forestry, the most recent agreement being the Culture and Communications Agreement signed by the Minister responsible for Industry and Technology. Those are important agreements, they're important agreements that were signed by the Manitoba Government with the Federal Government.

It's my understanding that we led the way by way again of provinces that entered into such important agreements identifying the strengths of the Province of Manitoba and, then ensuring there was joint investment by both levels of government insofar as the development of the Natural Resources and other areas of the government.

Thirdly, Mr. Chairman, I would like to emphasize the fact that this government has stressed a balanced economic approach by which the Minister of Agriculture has, in fact, and honourable members should fully be aware of this representing rural areas, has advanced a number of programs despite difficult odds in regard to dealing with the agricultural front in the Province of Manitoba. Here, of course, I'm referring to the agricultural programs relating to hog stabilization, beef stabilization, other important programs insofar as the agricultural front is concerned in the Province of Manitoba.

Mr. Chairman, I could also make reference to initiatives that have benefited the small business community in Manitoba. They have been very significant and, I think, they are demonstrated by the economic indicators I referred to recently and no more telling as a fact that by way of retail sales Manitoba leads the Western provinces by way of increase in retail sales, I believe, this year for the third year hand running, Manitoba has led the Western provinces insofar as increase in retail sales.

Mr. Chairman, this government of course has also entered into a number of very important agreements that will result in long-term investment in Manitoba, the creation of jobs, the increasing of wealth in the Province of Manitoba. This government seized the opportunity to meet with utilities in the United States, utilities that were in need of the energy that was available in this province, to enter into agreements that were mutually beneficial to both Manitoba and to the

various utilities in the United States and of course, I'm referring to the WAPA and the Northern States Power Agreement.

The Northern States Power Agreement now finalized with the exception of approval from the National Energy Board that according to our calculations, Mr. Chairman, and we await the opportunity to discuss those calculations in committee, should realize to Manitobans some \$1.7 billion over a 12-year period.

The aluminum smelter, Mr. Chairman, the potash development, other important projects that we are presently working on, and unlike the previous administration we will not be making announcements till we have reached the point that we have some significant statement to make by way of progress in respect to those negotiations.

At the same time, when we discuss the economic, I think it's important that we not overlook the fact that we have travelled through a difficult period of recession. We have suffered from transfer payment cutbacks federally to all provinces, but particularly hard hit was the Province of Manitoba. Despite that, this government ensured that the basic public services, health services, day care services in this province were not permitted to be cut back by way of restraint which has occurred in other provinces in Canada.

As the Minister of Health was able to announce a 6 percent increase in respect to health care funding this year far in excess of the 3.7 percent overall increase insofar as expenditures were concerned; day care was an increase of 6 percent, again far in excess of 3.7 percent because we have identified important areas of public and social programming that are important to this province. We do not permit, do not intend to permit to put up all the resistance that we humanly can, even though we've gone through a difficult period, in order to ensure that those important public and social functions are retained in this province, Mr. Chairman.

So I take some degree of satisfaction in having been Leader of a government that has been able to achieve worthwhile economic progress, at the same time, to maintain under difficult circumstances - because they have been difficult circumstances - the important public and health services in the Province of Manitoba.

So, I'm not quite sure of the specifics that the honourable member would like, but if he would like to further that discussion, we would be very pleased to further the discussion if there's any specific areas or policy issues that the Leader of the Opposition would like to discuss.

MR. G. FILMON: Well, Mr. Chairman, the Premier has certainly been stretching for answers to that question. I'm sorry that I put him on the spot to such an extent because he obviously had some difficulty in conjuring up just what he's been doing over the past two-and-a-half years.

Mr. Chairman, the Premier has referred to a series of programs but he hasn't given too much indication of any performance in these programs. He's listed the programs but he's failed to give some of the details behind them.

He refers to the fact, Mr. Chairman, that — (Interjection) — Well, Mr. Chairman, the House Leader says that they're No. 1 and the Minister says that they've

moved into the front seat from the back seat. — (Interjection) — I'm afraid that he's still in the back seat and somebody else is at the wheel. We have to ask, Mr. Chairman, what about this recovery that he's talking about? What about these employment statistics? What about the fact that there are still today, over 20,000 more people unemployed than there were when he took office? What about the fact that we're still talking about unemployment in the rate of 9 percent in this province? What about the fact that he talks about investment being up in this province, but private sector investment over the past two-and-a-half years has declined and that is a very serious indicator and yardstick, Mr. Chairman, that is a very serious indicator that we have to be concerned about because that's where the long-term jobs are.

Mr. Chairman, as well the Premier talks about federal-provincial co-operation and yet today they took great pains to bring in Bill 27 as a means of trying to do the Federal Government out of tax revenues. Can you imagine the kind of co-operative attitude that they're demonstrating when they have to come in and go through a series of readings all in a row with leave, with committee stage, to get through this so they can stick the Federal Government for some of the tax revenues that they would ordinarily have gotten? That's federal-provincial co-operation in the mind of the Premier, Mr. Chairman.

MR. CHAIRMAN: Order please.

MR. G. FILMON: He talks about a balanced economy and he talks about all of the things that this government is doing and he neglects to tell the people of Manitoba about three major Crown corporations, this year in their annual reports, coming forth with accumulative total of almost \$40 million in losses - losses of taxpayers' money - because of the incompetent management of this government that he leads. That's the kind of performance we're talking about, that's the kind of performance we wanted to hear about because that, sir, is the truth; not the kind of thing that he's been trying to give us.

He talks about the economy, Mr. Chairman, and he doesn't tell us about the \$488 million deficit that's in this year's Budget, about the cumulative of three budgets that have resulted in 1.4 billion in three Budgets. Sir, adding \$6,000, for a family of four, to the debt load of the people of this province in three years, three Budgets, that's his leadership, that's the kind of record we're dealing with Mr. Chairman. That's the kind of performance that this Premier is talking about.

He didn't tell us about the incredible increase in municipal taxes across this province as a result of this government's dealing with municipal governments; about how taxes went up so much in the first three years of this government that they, by far, tripled the increase in four full years of Conservative Government in the last administration. That's the kind of performance that this Premier seeks to lead in this province, Mr. Chairman.

Well, Mr. Chairman, there are so many things that this Premier hasn't told us about. He hasn't told us, in terms of what they've done in the hospitals of this province, that people have to wait six months for elective

surgery in some of the areas of this province, where in the old time it was only a matter of a few weeks in the former administration. That's the kind of thing he hasn't told us about.

He tells us that they are working, and they are bringing to fruition major projects, and that these major projects are at a far advanced stage, and they wouldn't dream of putting forth anything and trying to take credit, and trying to build up expectations; and yet just a matter of weeks ago they brought forth an announcement of a Letter of Intent to study with the Western Area Power Authority. Just a Letter of Intent to study, and in that announcement was talk about \$6 billion in investment; talk about thousands of construction jobs and man years of employment, and on, and on, and on, when all they've done is sign a Letter of Intent to study.

That's the kind of way in which this Premier performs. Well, Mr. Chairman, that isn't good enough and certainly this Premier hasn't given us the confidence or the justification for his salary at this point in time.

HON. H. PAWLEY: Mr. Chairman, I welcome this opportunity to discuss these items under the Salary because it gives me an opportunity to acquaint, because the Leader of the Opposition has been really so burdened with so much of his own rhetoric and ideology that he apparently has not been following the circumstances of the last two-and-a-half years.

First and foremost, Mr. Chairman, in November of 1981 we refused, as a provincial administration, as a New Democratic Party Administration, to follow the travelled path of other administrations in Canada, both at the federal level and the provincial level, to follow a do-nothing course of action against difficult circumstances on the economic front. We refused to abdicate our responsibilities in respect to performing actively as a government.

We did a number of things, Mr. Chairman, that I recall were scoffed and laughed at by the opposition. I want to remind the opposition of what they scoffed at, Mr. Chairman. It was the Minister of Finance that submitted to this House a list of important capital projects that he was presenting to the Finance Minister in Ottawa, Mr. Lalonde. Mr. Chairman, I can still recall the cackles, I can still recall the sarcasm of honourable members across the way, it would not work, Mr. Chairman. The result is, Mr. Chairman - and we're prepared to file that list of capital projects - we have realized upon a substantial number of those projects involving scores of millions of dollars in investment in the Province of Manitoba because we identified projects that were important to Manitoba. We presented those projects to the Federal Minister of Finance in Ottawa and those projects were accepted, Mr. Chairman. If they had been seated on this side, Mr. Chairman, there would have been no list of projects; there would have been a do-nothing approach. Mr. Chairman, we do not intend to pursue do-nothing approaches.

I recall, Mr. Chairman, the remarks about interest rate relief. And I'm the first to acknowledge that the Interest Rate Relief Program cannot deal with outdated, outmoded, monetary theories that are followed by many, Mr. Chairman. I wish we had an opportunity to discuss interest rate policy in this country in the Western world. But we attempted to provide relief and we were again

faced with sarcasm, with scoffing by honourable members across the way. But, Mr. Chairman, what we did do was ensure that hundreds of small business people, and hundreds of farmers that would have otherwise gone bankrupt because of high interest rates, remain in business and farming today because of the initiative taken by this government. Rather than following the advice of honourable members across the way we developed a purposeful and useful strategy.

I could remember, Mr. Chairman, when we introduced a Beef Stabilization Program. Honourable members across the way said it would not work, they said a minority of cattle would be registered in that program, Mr. Chairman. Any objective observer will acknowledge today that beef program has worked; farmers have enrolled; cattle have enrolled in that program. It has stabilized income in respect to the farmers in this province.

I recall, Mr. Chairman, when we introduced a Jobs Fund. This, of course, was the largest area of debate. Honourable members said no that somehow or other there was not a function for government insofar as stimulating the economy. What is the term? The least government, I think the Leader of the Opposition said but a few weeks ago; the best government is the government that does nothing. He quoted positively some statement that was made by the President of the Retail Association, I believe it was, of Canada - the best government is the government that does nothing.

Mr. Chairman, we decided not to do nothing. We advanced on a program of Jobs Fund operations. Mr. Chairman, if that Jobs Fund commitment in Manitoba had been adopted by 10 other provincial administrations, as well as by the Federal Government, in a co-ordinated effort across Canada, I have no doubt in my mind that there would be much fewer unemployment in this land, there would be less poverty in this land had there been a co-ordinated and strategic attack upon unemployment in this country, rather than Liberal and Conservative policies of do-nothingism across this land.

Mr. Chairman, I am really amazed that the Leader of the Opposition based his argument on reference to statistics. He laughs. But was there the lowest rate of unemployment in Manitoba during their term of administration, 1977-1981? Did they have the lowest rate of unemployment? Did they, Mr. Chairman, have the highest rate of population increase in Manitoba in 20 years under their administration? Did they enjoy the largest, or second largest increase in housing starts under their administration in the Province of Manitoba? — (Interjection) — 1978, one of the years that you were in government, Mr. Chairman? Did they, by way of Statistics Canada, not Conservative figures, or New Democratic figures, did the economic indicators demonstrate that Manitoba was equal or better by way of economic performance than virtually every province in Canada under their administration?

The fact is, Mr. Chairman, that throughout - in fact, I believe, and the Honourable Leader of the Opposition can try to correct me if he wishes or dares to - I believe it was 1980 that Manitoba was the only province in Canada, if I recall correctly, that had a net economic loss insofar as growth was concerned in Canada. Mr. Chairman, what we must ask ourselves, why was that the case? I think the answer is very clear because we

had a government that said that, in fact, they had no role insofar as dealing with the unemployed in this society, they had no role in stimulating the economy.

Mr. Chairman, we are now entering into stage two by way of economic thrust, and I know that the honourable member would like to discuss, and I am prepared to discuss at length if the honourable member would like, Manfor. I would love to describe in detail the history of Churchill Forest Industries, the welcoming of Churchill Forest Industries to this province by a former Conservative Premier back in 1967. I remember - and I'm sure the Member for Sturgeon Creek remembers - a large front page cover, Manitoba Business Journal, "Premier Duff Roblin welcomes plum to the Province of Manitoba."

A MEMBER: Yes, we do in the book.

HON. H. PAWLEY: Yes, can recall that very very well, Mr. Chairman.

What this government did was commence a modernization program that is going to cost money but is geared towards modernization of that plant so that plant can be moved from a losing position to eventually a winning position, subject to the international market situation improving.

Of course what we need, Mr. Chairman, without doubt, whether it's mining, whether it's agriculture, it's forestry, and the honourable member can try all the high school debating techniques he likes by saying, well, you can't talk about the international situation; but, Mr. Chairman, we do know that even with the international situation, which has certainly not been favourable in the last few years, some improvement now, that Manitoba - yes, with some difficulty - has been able to swim against that economic trend, has been able to do better, insofar as 10 out of 11 economic indicators, than other provincial governments in this country; eight of those provincial governments being Conservative administrations, not New Democratic Party administrations, Tory administrations in this country, Mr. Chairman.

I think that honourable members can feel some sense of pride that Manitobans, not just through their government but through their municipal organizations, through their community organizations, through the business community, through the labour community, have joined together by way of a team to participate in the economic activity of this province so that we can hold our heads high, that despite tremendous odds we have been able to accomplish a great deal during the past two-and-a-half years in the Province of Manitoba.

MR. G. FILMON: Well, the Premier continues to grope for answers to the question of just what he is doing for this province.

I'll tell you one of the things he isn't doing, Mr. Chairman. He isn't living up to the promise that he signed in his election document in 1981, "A Message from Howard Pawley." It says, "We can develop programs to guarantee that no Manitobans lose their homes or farms due to high interest rates." Year upon year upon year of their administration, the farm bankruptcies have gone up; even in this third year of their administration, we had a headline just a matter

of weeks ago about a 50 percent increase this year over last year in farm bankruptcies. That's because they're doing such a good job for the farm community, Mr. Chairman. That's the kind of thing that this Premier doesn't tell people.

Business bankruptcies are up; the economic woes of this province have not been solved. This Premier has managed, through his close alliance with the Federal Government, to bring in federal dollars to this province. We'll acknowledge that; no question about that, Mr. Chairman. But in the critical area of long-term job creation in the private sector, they are an abject failure. Where is the private sector investment in this province? Where is it? He talks about the Jobs Fund. Let's talk in real terms about those statistics, about the fact that the average length of time of job created by the Jobs Fund last year was 13 weeks; about some of the ones in the beautiful statistics that his Minister brought forward lasted one day, Mr. Chairman; about the fact that these jobs, in some cases, they were attempting to take credit for jobs created in which they invested only 5 percent of the money and tried to take credit for 100 percent of the jobs created in particular projects and put up the big green signs all over; and all of their time and effort was concentrated on the public sector where the jobs lasted a matter of weeks. That's the kind of investment, that's the kind of involvement of this government and that's what they're leaving as a legacy to the future of Manitoba.

He talks about Manfor, about their wonderful management of Manfor, except that he doesn't tell you that for two of the four years that we were in government Manfor made a profit. Today, they have to deal with a \$24.7 million annual loss. He doesn't tell us about the fact that our credit rating was downgraded by the financial markets of North America because of their incompetence and mismanagement, Mr. Chairman. He doesn't tell us about the fact that their so-called Beef Stabilization Program is resulting in people killing off cows and reducing their herds, packing houses closing and operating at much less than capacity and jobs being lost in that industry because of their program. That's the kind of results that this Premier doesn't talk about.

Mr. Chairman, I have to tell you that this Premier continues to disappoint us as he does people throughout this province by talking in glowing terms about things that never were and ignoring the real problems of the unemployed, the 40,000 unemployed who he comforts by quoting the statistic, "We have the lowest unemployment rate in this country."

MR. H. ENNS: There were 18,000 unemployed when we last left office.

MR. G. FILMON: Mr. Chairman, it won't wash, and this Premier isn't worthy of his salary.

HON. H. PAWLEY: Mr. Chairman, last evening we had a very good example of the lack of initiative and foresight by the Leader of the Opposition and by those that shared with him the Treasury Benches during the period 1977-1981. What I thought was the most revealing information that unfolded last night is that the Leader of the Opposition and other colleagues,

obviously not front bench, had made contact with utilities south of the border, that they had had some discussions, obviously, with utilities south of the border, and for some reason or other, Mr. Chairman, they did not proceed in order to finalize the kind of agreements that this government has finalized.

I mention that because only a few moments ago we heard from the Leader of the Opposition that they had only signed Letters of Intent. Where has the Leader of the Opposition been for the last seven weeks? Was he not in this Chamber when the Minister of Energy announced in this House that a final agreement has been reached with Northern States Power, an agreement that will result in the provision of hydro over a 12-year period to Northern States Power, that from that agreement there will be \$1.7 billion in profit?

What I think the Leader of the Opposition has to answer - and he did not answer last night - is if in fact their administration had had discussions and were fully aware of the interest on the part of the utilities in the United States, then I ask again tonight as I did last night, where were they? Why did they not proceed to complete negotiations? Why did they not ensure that they had an agreement that would have realized a \$1.7 billion profit to Manitobans over a 12-year period? Why did they abandon those discussions? Why did they, in fact, enter into an agreement in respect to an Intertie that at best was no profit to Manitobans, at worst, a potential loss to Manitobans, the Alberta-Saskatchewan Grid. Why, Mr. Chairman?

Manitobans are now interested in knowing, as a result of those revelations last night, as to whether the opposition were negligent, or was it deliberate? Was it deliberate on their part because of their partisan relationship to the Premier of the Province of Alberta? Did the former government, because of their partisan allegiance to the government of the Province of Alberta, place Alberta above the interests of Manitobans by turning their back on the opportunities that exist with Northern States Power and other utilities?

Let the Leader of the Opposition not suggest here this evening as he did that all we've signed is letters of intent, letters of study. I don't know whether the Minister of Energy heard what the Leader of the Opposition had said, that all they can do is enter into letters of study.

Agreement was signed entering into a firm agreement that Northern States Power - I guess, I will have to repeat that 50 times so the Leader of the Opposition can understand what has taken place, because he is not prepared to acknowledge that - in fact, I would challenge him to rise in his place and to say; I would prefer the Intertie transaction that was being worked on, not finalized, by the government of which he was a member of to the agreement that was reached by Northern States Power.

I want the Leader of the Opposition to stand up and be counted. I'm not interested in the Member for Sturgeon Creek, I am interested in hearing from the Leader of the Opposition, where does Her Majesty's Loyal Opposition stand in respect to the Northern States Power transaction? Would the Leader of the Opposition, on the basis of comments he made last night, and again this evening, would he cancel out that agreement with Northern States Power if he had the opportunity to do so? Would the Leader of the Opposition choose

the 1980 proposed agreement by the former Minister of Energy of this province, Mr. Craik? Would he prefer that to the agreement that has been arrived at by the present Minister of Energy?

I want the Leader of the Opposition to be counted. I want the Leader of the Opposition to say where he stands in respect to this important matter facing Manitobans. I don't want to see continued ducking and dodging on what is the most vital, important issue now before Manitobans. Is the Leader of the Opposition prepared to spell out precisely and exactly where he stands, rather than engaging in foolish and stupid kindergarten rhetoric in this Chamber, is he prepared to state where he stands in this House?

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please, order please. Order please.

The Member for Turtle Mountain.

MR. B. RANSOM: Thank you, Mr. Chairman. I would like to ask the First Minister some questions about something that is extremely important to the future of the province, to the interest of Manitobans and the possibility of maintaining the services to Manitobans, and that has to do with the deficit of the province.

I am interested in knowing from the First Minister what his views are about the fact that we have a deficit now of 490 million, or thereabouts. That over the period of time that this government has been in power we have seen the total direct deficit for the government's own spending programs go from 1.1 billion to 1.4 billion, meaning that the deficit accumulated over all time in the province was 1.1 billion, and in three years, it has increased 127 percent. I am interested in knowing whether the First Minister sees that as something that is a threat to the future; whether he sees it as something that is going to require some dramatic action on the part of the government to bring it under control.

Mr. Chairman, perhaps I'll let the Minister answer, we'll see whether we get his answer, or whether we get the answer that the Minister of Energy and Mines seem intent on pressing upon the First Minister.

HON. H. PAWLEY: I had hoped before we moved to another subject that we could have possibly obtained an answer from the Leader of the Opposition. I still wait an answer from the Leader of the Opposition. I certainly appreciate the opportunity to speak to the matters raised by the Member for Turtle Mountain, but I would like first, if it was possible, for us to complete the discussion that the Leader of the Opposition and myself had in respect to energy development in Manitoba because I think, as one of the honourable members said last night, that is the No. 1 issue in Manitoba today. I think it was the Member for Turtle Mountain that might have said that.

So I would appreciate knowing whether we can continue with the discussion of energy development, and precisely where the Leader of the Opposition stands in respect to future energy development in the Province of Manitoba, because Manitobans would like to know.

MR. CHAIRMAN: Order please, order please.

HON. H. PAWLEY: Mr. Chairman, I've got my answer. The Leader of the Opposition has said, we'll stay here all night he's not going to answer the question, so we'll move on to the next subject.

MR. G. FILMON: Mr. Chairman, just so that the Premier doesn't twist the words and misrepresent the remarks as he normally does, I'll put it on the record that we are here to discuss his Estimates, and we are willing to stay here all night until he answers the questions. I will answer the questions that he has posed when the time comes, when we get the information from his Minister of Energy who doesn't know what the interest rates are and who doesn't know what the recapture of capital is, and who doesn't know what's being done with respect to the investment in the plant to produce the power for Northern States.

So, because he doesn't know the answers, we'll have to wait until his people at the Hydro Committee come to give us the answers, and then we'll take our position. In the meantime, we'll wait and hear the answers that this Premier has to give us, if he knows any answers.

HON. H. PAWLEY: Mr. Chairman, I now assume that the Leader of the Opposition is not prepared to discuss the issue that they described as the No. 1 issue in Manitoba. They are not prepared to take a stand in respect to the No. 1 issue, being energy development in the Province of Manitoba.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please.

HON. H. PAWLEY: So, in view of the fact that there is a vacuum of policy on the part of the opposition, there is no doubt where we stand on this side of the Chamber. I would like to know where honourable members stand on the other side of the Chamber on the matters raised by the Member for Turtle Mountain?

MR. F. JOHNSTON: Mr. Chairman, on a point of order.

MR. CHAIRMAN: Order please.

The Honourable Member for Sturgeon Creek on a point of order.

MR. F. JOHNSTON: Mr. Chairman, this Premier came into the House 15 years ago when I did, and he should have the common sense and the knowledge to know that in Estimates we question the Ministers who are in charge of their departments. Are you going to allow him to turn around and ask us questions?

MR. CHAIRMAN: The Government House Leader to the same point of order.

Order please.

HON. A. ANSTETT: Mr. Chairman, to the same point of order.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. A. ANSTETT: The Member for Sturgeon Creek is quite correct, the purpose of Estimates review detailed

examination is to get information from the Minister responsible for the department. However, when we get to the Minister's Salary, we have on that department a cover-the-waterfront debate in which the philosophies of the various parties within government and opposition are debated at length. That has been the precedent here for 15 years.

When we get into that debate on the Premier's Salary, we cover the waterfront of the whole government; that becomes a debate of the respective positions of the various parties, and that is what's happened on the Premier's Salary. The Premier is engaging in that debate, and he is challenging members opposite to engage in it, too, by asking questions and throwing out challenges for positions. There is absolutely nothing irregular about that as part of the debate on a Minister's salary.

MR. CHAIRMAN: The Honourable First Minister.

HON. H. PAWLEY: Mr. Chairman, let me make it very clear. The Leader of the Opposition said they would like to know my position. I have made my position very clear, I prefer this energy agreement worked out by the present Minister of Energy and Mines to the agreement that had been proposed by the former Minister of Energy and Mines under the previous Conservative administration. There is no doubt as to my position.

What is in doubt is the position of the Leader of the Opposition. If the Leader of the Opposition doesn't want to comment, that is fine, we'll move on to the next subject.

MR. G. FILMON: I told you what my comment is.

HON. H. PAWLEY: But let it be clear on the record the Leader of the Opposition has no position.

MR. G. FILMON: We'll let it be clear on the record, Mr. Chairman, that the Western Electric Grid that this Premier is criticizing is the very proposal that his Minister of Energy and Mines crawled on his hands and knees back to the other provinces in Western Canada and proposed to them. So that's exactly the position of this government. So don't let him try and tell us that they didn't like that deal either.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please.

The Honourable First Minister.

HON. H. PAWLEY: Mr. Chairman, I think the honourable member speaks out of both sides of his mouth. I think it was one year ago that the Minister of Energy and Mines was being accused of permitting his Deputy Minister of Energy and Mines of fouling up the deal with Alberta and B.C., because he bargained too hard. He was bargaining too hard. That's what they were saying across the way. Now the Minister of Energy and Mines is being accused of, a year ago, crawling on his hands and on his belly. You can't have it both ways.

At some point honourable members, including the Leader of the Opposition, have to get off the fence.

You are going to have to take a position. If you don't take a position, we are going to challenge you again and again and again, Mr. Chairman, till Manitobans will see just how wishy-washy you are, how spineless you are as a group insofar as taking a clear-cut position in the Province of Manitoba.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please.

HON. H. PAWLEY: Mr. Chairman, I look forward in anticipation to debating this No. 1 issue in Manitoba, and I look forward to debating this issue with the Leader of the Opposition.

Now, Mr. Chairman, since we are not getting a response in respect to that question, I would like to deal with the questions raised by the Member for Turtle Mountain.

HON. J. COWAN: Aw, you let them off too easy.

HON. H. PAWLEY: Well, we may come back to it, we may come back to it.

What the Leader of the . . .

MR. F. JOHNSTON: Fool.

HON. H. PAWLEY: Well, the Member for Sturgeon Creek is demonstrating his inability to debate again by shouting, "Fool, fool" from across the Chamber. That's his usual habit. It doesn't trouble anybody on this side of the Chamber.

Mr. Chairman, there are three important tenets insofar as this government is concerned. No. 1 is the reduction of joblessness in the Province of Manitoba. Mr. Chairman, in case honourable members have not noted, this has been the main emphasis and focus in respect to all this government's activities in the past two-and-a-half years. I think that that has contributed to some small degree to the fact that, for the first time in 20 years, Manitobans can say proudly, we have the lowest rate of unemployment in Canada although the rate of unemployment is still unacceptably high. We are going to continue, Mr. Chairman.

What is known by the unemployed in this province, what is known by Manitobans in this province is that, if a Conservative administration was still in power in this province, the rate of unemployment would be much higher than it is today, because they have shouted from the roofs that their approach to government is to do nothing, to do as little as possible. That's why, Mr. Chairman, we have the sad record in respect to that administration.

Mr. Chairman, this government is also concerned about reduction of the deficit. The Minister of Finance has made important strides in that respect in this recent Budget, 39-percent reduction in the operating deficit from last year to this year.

What do I recall being mouthed by honourable members across the way last year? I recall honourable members saying that the deficit would be 700 million, 800 million. That's what we heard from the former Leader of the Opposition a year plus some months ago. That's what we heard from economic advisers to the

Conservative Party in the Province of Manitoba a year-plus some months ago.

Mr. Chairman, there was a deliberate policy of trying to mislead - it had to be to mislead - the people of the Province of Manitoba by speculating a \$700 million to \$800 million deficit. I don't believe the Honourable Member for Turtle Mountain joined in that chorus of wild speculation a year plus some months ago. They did leave the impression that the deficit would be much higher than, in fact, what it ended up being.

A MEMBER: Filmon said the recovery would come all across North America, but would pass us by. That's what he said, but he lied about it.

HON. H. PAWLEY: Yes. Well, Mr. Chairman, let us put this on record, because I intend to repeat this so the Honourable Leader of the Opposition, the Member for Tuxedo, will be fully conscious of this. I wasn't aware of that, but my colleagues advise me that, over a year ago, the Honourable Leader of the Opposition said that recovery would take place elsewhere in Canada and would pass Manitoba by because of our policies.

MR. G. FILMON: That's exactly what happened.

HON. H. PAWLEY: He sits in his seat and says that is still what is happening.

MR. G. FILMON: Private investment is still down.

HON. H. PAWLEY: Private investment projected to increase the third best of all provinces, 1984; total investment, No. 1 in Canada. Where is this leaving Manitoba behind in the dust? What sort of poppycock are we hearing from honourable members across the way?

Now back to the Honourable Member for Turtle Mountain. What is the Honourable Member for Turtle Mountain suggesting? Is he suggesting British Columbia-like policies? Is he suggesting policies of confrontation, one group against another within society? Is he promoting 19th Century kind of policies that would rip away public services and health care, as is taking place in the Province of British Columbia?

We intend to reduce the deficit, but it will be on a gradual basis. It will be in line with the commitment by the four western Premiers at Kelowna in May, when we indicated that it was the joint desire of each government in Western Canada to reduce deficits. But, unlike honourable members across the way, we distinguished as four Premiers, three Conservative and one Democrat, between current deficit and capital budget deficits. That is in the communique. There was a clear distinction. I wish honourable members would speak to some of their Conservative colleagues further to the west, so they can understand the difference between operating deficit and capital deficit. This Minister of Finance has reduced the current operating deficit by 39 percent in the space of one year.

Thirdly — (Interjection) — well, if I'm out by one or two figures, you have the Budget in front of you and the statements that are in the Budget. No. 3, Mr. Chairman, the objective of this government is to ensure, as I mentioned before, that vital health services in this

province are not eroded. Mr. Chairman, I will wait further comments because this, I think, gives us all an excellent opportunity to discuss directions that the opposition would pursue and this government would pursue.

MR. B. RANSOM: Mr. Chairman, I don't know why we can't get some rational sort of statement from the First Minister. Perhaps it's because of the dismal state to which his government has sunk in the eyes of the electorate. Perhaps then if we had found ourselves in the position that this First Minister has found himself in in the eyes of the electorate, after having placed himself in the sort of confrontation situation that he has with the public time after time after time, and finding his government being labelled with scandal and mismanagement . . .

A MEMBER: Yes.

MR. B. RANSOM: Yes, scandal.

A MEMBER: You haven't heard of that, eh?

MR. B. RANSOM: McKenzie Seeds and things of that nature that have attached to this government, and it has left the public with a very bad taste in their mouths concerning this government.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please.

MR. B. RANSOM: They have saddled the public with deficits of a nature that this province has never seen before, Mr. Chairman. Given that kind of circumstance, I guess it's not hard to understand why the government doesn't want to debate their record. They want to talk about all the things that would have happened if the Conservatives had been in power, how many unemployed there would have been if the Conservatives had been in power, what sort of deals there would have been if the Conservatives had been in power.

I remind the First Minister, Mr. Chairman, that he is the First Minister. He is the Leader of this gang of irregulars over here that he calls the government. That's all he has to work with. He is now over halfway through their term and he's got to accept some responsibility. He's not going to be able to go into the next election, Mr. Chairman, fighting it on the same grounds that he did the last time. I don't think he's going to be successful trying to fight the Lyon Government through the same techniques as he used the last time based on his record and misrepresentation. He's the government. He's going to have to sell the record and it happens that that record in many areas is not very good. I find it quite alarming in some areas.

I happen to be very concerned about the question of the provincial finances because all of the things that the First Minister talks about doing depend ultimately upon the sound financial position of the government. We are not going to be able to reduce the level of joblessness over a long period of time if the government continues to run deficits of such a magnitude as we have today. That's my view, Mr. Chairman, that we cannot continue at that level.

We cannot continue to maintain the health system that the Minister is concerned about if he's going to continue to run the kind of deficit they have now. People are now finding that the health care system is not being maintained and we're not talking now, Mr. Chairman, about whether there's two strips of bacon or three. We are talking about people who can't get into the hospital, who are waiting six and eight months to get into hospital now. Specifically, the Brandon General Hospital, where three years ago those people weren't waiting for more than six or eight weeks, that's over three years.

Mr. Chairman, I think that the ability of the province and the Provincial Government to deliver services of that nature is ultimately dependent upon the fiscal soundness of the government and I'm concerned at the size of the deficit that we face now; \$1.4 billion is going to be built up in the first three years of this government's period in office. The interest costs on that are likely to be in excess of \$160 million a year. That's a tremendous cost to be faced with.

I want to know from the First Minister whether he's concerned about that; whether when he talks about the deficit being reduced that he sees it going back down to a couple of hundred million; whether he sees it being held where there's a certain percentage of the gross provincial product; the deficit constitutes a certain percentage of the gross provincial product; whether the debt servicing is to be kept below a certain level of the government's revenue or expenditure because I fear that it's getting out of hand at 500 million. With today's interest rates that's going to double itself in a matter of six or seven years. That's without the new deficit that's being incurred every year.

So I'm not putting forward the solution to the Minister, that's not my responsibility to do that. He has the responsibility to govern. I have a responsibility to ask some questions to try and determine what this government's approach to financial management is. When we go to the people in the election we will tell them what we expect to do. But right now it's not clear what their government's attitude is.

This Minister is the First Minister of the government and if he doesn't understand the fiscal affairs of this government, then I don't know who is going to understand them over there. I would very much appreciate hearing from the First Minister his view of the deficit, where it's going, how he sees it being reduced if it's going to be reduced. We'd like to hear from him.

MR. CHAIRMAN: The Honourable Minister of Finance.

A MEMBER: He asked the same questions of you when we were dealing with your Estimates.

HON. V. SCHROEDER: Mr. Chairman, it's very handy to talk a bit about some history. To this man who forgets so soon, I heard the Leader of the Opposition stand up a little while ago and talk about 1981 and the election campaign. Let's go four years earlier than that.

You had a bunch of Tories running up and down the province saying we're going to eliminate the deficit. We're not going to have any deficit at all, we're big heroes. They played all the numerical games in the world that they could and artificially manipulated the

total operating and current account deficit up to \$191 million for 1977-78, throwing money back in from the year and adding in all kinds of transfers that were adjustments for previous years, to make sure that they got a pretty high deficit so they would never ever in their term face a combined deficit of the extent that the NDP Government, the Schreyer Government had faced in '77-78.

What happened in the last year of their reign? When we took office we were facing a combined deficit of \$265 million. Where was this balanced budget these financial wizards were talking about? There was no balanced Budget in accordance with their terminology. They had gone up rather than down. Not only that, the Minister of finance in the Sterling Lyon Government was sitting on departmental Estimates that showed a deficit coming up combined for '82-83 of \$500 million when they decided to go to the people for an election. They were not prepared to take a chance on bringing in spending Estimates again before they had an election. They were not prepared to find out whether we were going to have a Hydro agreement, a potash agreement, an aluminum agreement that was actually under way before the election was over with. No siree, bob. They were not going to have another deficit of almost double what we ended up with for that particular year.

Here we see the Member for Turtle Mountain standing up today and talking about his concerns. Everybody has concern about deficits, of course, but he never talks about the other side of the deficits, never talks about the fact that during the very toughest of times that we have had in the last few years, we've had the worst recession since the depression in North America; and during those tough times there were two ways to go. We could pull the pin like the Right Wing in British Columbia did - they've got 16 percent unemployment now - and save on spending, and yes, maybe even decrease the deficit a little bit, at what human cost, at what cost to business and industry in that province, at what cost to the social fabric? How about those costs? Do you ever add those costs up?

What is happening now? Last year, for instance, when I presented the Budget things were not so good and the people in the opposition just had a great time with their gloom and doom. The worst of them was the Leader of the Opposition saying that as a result of my Budget although recovery would come to all of North America, it wouldn't come to Manitoba. He was so totally far out, so totally clued out, that I don't know how that group would bring that fellow in as a Leader. There is no leadership there; there is no knowledge there; there is no forecasting ability there; there's nothing there; it's a puff of wind, a big puff of wind.

There he was this year all of a sudden all bets are off in terms of forecasts by the opposition. Last year we had the Member for Turtle Mountain stand up and say - I believe in December of 1983 - for last year the deficit would be between \$800 million and \$1 billion for '83-84. That was his prediction. He hasn't made one for this coming year. He was out by 100 percent.

We had the Member for Swan River standing up in this House and saying that if my predictions on revenue were accurate, we would have complete recovery in this province and indeed, we have stronger revenue than I predicted, so clearly, in accordance with their predictions or definitions, I should say, we have complete economic recovery.

Well, we have more than complete economic recovery. At the same time that we had the Leader of the Opposition saying that we would be the only part of North America that would not partake of the recovery, they were totally wrong.

Why does the Member for Turtle Mountain not look at what happened with respect to the latest public numbers for 1983-84 with respect to our current account deficit? We started off at a projected \$294.8 million, as of the latest public numbers we're at \$236.5 million, and I certainly doubt very much whether we will come in at higher than that. We might even come in at a bit lower than that. So we've come down from 294.8 to 236.5 and for this coming year we are down, we are estimated at \$167.5 million. Now \$167.5 million is a considerable drop from 294.8 for one year. I think it is a good achievement for the government.

I think that when we talk about the other projects for which we have to borrow, the capital projects, there are different rationales involved. We could get into different arguments about those. It is true that we have to pay interest on all of that; it is true that I would rather not pay interest on any of it than pay interest on it and I would rather not have any debt than have this debt; but I also would rather have this debt and this economy than the economy we would have had, the drop in employment, the drop in business activity, the hardships, all of the other things that would have happened had we had less of a deficit over the last few years.

I don't criticize members opposite for the deficit and the monetary requirements we had in '81-82. On reflection, they had beaten us in terms of our thinking about debt over that period of time and we had really forgotten about the fact that the bulk of that money was capital and there should be nothing wrong with having people share the expenditures for our highways, not just the one taxpayer who's there at the particular time you're building it, but the taxpayers who are using it over the period of time that it's in use and so on; nothing wrong with that. Nothing wrong with that in principle.

They had, over that period of time with their shifts in definitions and so on, gotten us in the position where we were gun shy about capital account expenditures that were not funded out of current year taxation and I think that we were wrong. So I'm not uptight about that particular deficit in terms of what it did for the economy. Indeed, the reason I raise it is that it is their definition against which I am measuring them. I say their definition is wrong; but, in accordance with their definition, they really blew it in their four years. Their fundamental promise was they were going to decrease deficits and they actually managed to increase deficits, and that is one of the unfortunate legacies they've left us with.

Here we are, for this coming year, at \$167.5 million current account deficit. I have indicated, the Premier has indicated, members of the front bench have indicated that we would like to drop the Current Account Deficit more next year and the year after. That is our plan. We have not always been on our plans, nor have we always been on our forecasts, nor have the members of the opposition. We've all been out sometimes and when you just attack on the basis of

A MEMBER: Well, on this five-year forecast.

HON. V. SCHROEDER: Well, I'm not foolish enough to give a five-year forecast when I don't have any kind of machinery available to me to provide an independent forecast for the Province of Manitoba. I can say well, it's the Royal Bank forecast I would rely on, and I can provide that to you if you haven't read it, or the Economic Council, but those who say that I should stand up and make some wild predictions like the Leader of the Opposition did, I think that's totally foolish. I am not going to get caught in the same trap that the Leader of the Opposition and John McCallum got caught up in. I notice that even John McCallum isn't predicting this year what is going to happen with the deficit; I think that's kind of humorous.

MR. DEPUTY CHAIRMAN, H. Harapiak: Mr. Premier.

HON. H. PAWLEY: Mr. Chairman, just further to the question raised by the Member for Turtle Mountain, I'd like to read this. I think it does, very clearly, illustrate the position of this government pertaining to deficit reduction. I was looking for this and I'll provide the honourable member with the document in question for the Western Premiers' Conference at Kelowna on the 7th and 8th of May. On Page 4 of that document, the Premiers reiterated their commitment to controlling and reducing their deficits as the economy strengthens. They emphasize the distinction between borrowing for current expenditures, which must be systematically reduced, and borrowing for capital expenditures that increases the productive capacity of the economy. Significant concern was expressed about large Federal Government deficits, their effect on interest rates and private investment. They cited the large and continuing deficit of the Government of Canada, called upon federal policy makers to follow the lead of the western provinces' rigorous control of expenditure key to deficit reduction, they said.

Mr. Chairman, certainly that is a position that I think is sound, operating deficit reduced, the extent of reduction will depend upon the strengthening of the economy. Obviously, if the economy weakens, then it is more difficult, unless one is prepared to proceed the British Columbia route. If that is what the honourable member is proposing, then he should state that is his proposal; but clearly, otherwise, what we must strive to do is to reduce the deficit as one of the objectives that we are attempting to achieve not in isolation from other objectives because that would detrimentally impact the continued reduction of employment which is not certainly an aim and objective of this government.

Before I do take my seat, I want to correct some statements by the Leader of the Opposition in respect to private investment. He left an impression that in some way or the other private investment had left Manitoba behind. In 1983, private investment in Manitoba increased by 15.7 percent compared to a decline of 5.5 percent for Canada. In 1984, Manitoba anticipated an increase in private investment, 7.9 percent compared with 1.5 percent for Canada as a whole. In both '83 and '84, Manitoba's rank is third amongst the provinces in terms of increase in the level of private investment.

If we combine the private investment with other forms of investment, we find that insofar as 1984 is concerned,

total investment in Manitoba is projected to be No. 1 insofar as Canada as a whole; so for 1984 it was projected to be the highest in Canada as a whole. Of course, I acknowledge that a great deal of that depends upon the farm front, a good response insofar as agriculture is concerned, but it should not be said by honourable members across the way that in some way or another there has been a bypassing of Manitoba on the private front. I think that does no service to Manitoba or to Manitobans to attempt to leave that impression when the statistics and the evidence that is collected from non-party sources, from Stats Canada, illustrates that is not the case. Surely, we can take some confidence, some pleasure in the fact that Manitoba, by way of economic progress, is demonstrating some leadership.

I don't expect honourable members to possibly acknowledge that because I suppose that is the role of the opposition to knock and to criticize, but I think it is very important, on the other hand, for government to ensure that those statistics are placed clearly on record so that we can ensure that there is a balanced and accurate reporting of what is taking place rather than a distorted picture that is of course being left and that apparently is the role of this opposition, in their minds, to distort in order to attempt to gain some swift political Brownie points.

MR. DEPUTY CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, I am very disappointed that we simply have had a repeat of the same kind of bafflegab that we usually get from the Minister of Finance. I had hoped that we would be able to have some discussion with the First Minister to see whether or not he had any understanding that was deeper than that of his Minister of Finance's understanding because during his Estimates, when we had the opportunity to get into some debate about where we were going in the future, we couldn't do that.

He would simply pull down the curtain at the end of next March and he apparently can't see beyond that, even though all of us as individuals have to plan beyond that and make certain assumptions about the future. Any corporation has to do that as well. Unfortunately, the Minister of Finance doesn't seem to be able to do that. We see him today in this House reduced to the spectacle of engaging in some kind of manipulative scam in order to be able to raise funds in a market that evidently has gotten to the point where Manitoba has to resort to this kind of tactic to be able to raise money, Mr. Chairman.

So I had hoped that we would have heard something from the First Minister that would indicate some understanding of the economy. When I state to the First Minister that the deficit has gone up by 1.4 billion in three years of their government, I don't even state that in a particularly accusatory tone. I stated it as a matter of fact. That is what has happened.

When I previously warned the government and the Minister of Finance that they would be facing a deficit of 800 million, I said they would face a deficit of 800 million unless they controlled their expenditures or raised their revenues. In the year under review, the

government did indeed control its expenditures. Because in the first couple of years, Mr. Chairman, expenditures went up by over 18 percent, I believe, the first year, 15 percent, 16 percent last year, although we haven't seen the final reports of Public Accounts yet or the quarterly report.

So compare that this year to what the Minister of Finance claims is a 3.9 percent increase. Clearly, they have knocked 10 percentage points off the spending, and 10 percentage points on spending of over \$3 billion, Mr. Chairman, would be another 300 million. If you add another 300 million to the 500 million that we're looking at now, we'd have 800 million. So what the government has done is follow that advice to try and control the expenditures of government.

I guess that's come about, Mr. Chairman, not because of any action on the part of an incompetent Minister of Finance, but it has come about as a result of some commitment by the First Minister and his Chairman of the Treasury Board in co-operation with some of the other line Ministers to bring spending under control. Because he's been able to do what that incompetent Minister of Finance has not been able to do in his period of time while he was there.

So, Mr. Chairman, I am interested in knowing from the First Minister now whether he sees a continuation of the sort of spending restraint that the government has implemented this year, or whether he sees it as a consequence of the economic growth that is taking place. He's quite proud of the numbers that are present now and I guess, if I was in his position, I'd be touting those numbers too. But I am more interested in the long term of whether he sees that leading to an increase in revenues that is going to be able to close that gap between spending and revenue. I would be pleased to hear from the First Minister whether he has some views on that, and the direction he might see things going over a period of two, three, five years maybe.

HON. H. PAWLEY: Mr. Chairman, I would project that if the economy continues to improve, and that is a large if, that we would gradually over a period of years, sooner rather than later, succeed in reducing the operating deficit. I think that is an objective, as stated at the Western Premiers' Conference, that all Premiers including myself are interested in accomplishing to reduce the operating deficit.

That does not, and I want to make it very clear, mean that I do not accept - in fact, I do accept the fact that, in order to generate activity within the economy and in order to ensure long-term investment, in order to build upon the strengths of Manitoba, it may very well be necessary to increase capital borrowing for purposes of economic development. For instance, the agreements that we have signed with the Federal Government pertaining to transportation, to agriculture, forestry renewal, they will require expenditure on the part of the Provincial Government, the building of long-term investments insofar as the profits. The other agreements that we have made reference to earlier, of course, will involve capital borrowing, whether it be Limestone, whether it's other operations, will require capital borrowing, capital debt insofar as that process is concerned.

I want to also though leave the honourable member with the other scenario that concerns me, as I'm sure

it does every member in this House. That is that the economy, though appearing to be presently recovering, may not continue to recover. There is some evidence of nervousness in the world economy. We see the situation pertaining to a number of Third World countries that - in fact, some of the smaller ones have already defaulted in respect to their loans, others on the verge of potentially defaulting on their loans - nervousness within the financial community in New York and elsewhere that, if that financial situation should collapse and if we should see a restoration of higher interest rates which I think has been extremely damaging to Canada, to Western Europe. I think that relates to some policies that have been pursued by the Federal Bank in the United States. If that tendency should occur, the economy was to weaken, Mr. Chairman, then we would be faced with a hard choice of then determining whether . . . Then, of course, we would not be able to reduce the operating deficit, as I indicated a few moments ago, if that indeed be the case.

So in looking ahead, Mr. Chairman, we are in a difficult position. All leaders are in a difficult position. I have to work on the assumption that there will be continued improvement in the economy. The Province of Manitoba has to do its part in respect to improving the economy. If there is a co-ordinated strategic approach throughout, it's my view that we can reduce the operating deficit and, at the same time, not jeopardize our No. 1 objective, which is job creation through long-term investment in the assets of the province — (Interjection) — I think that will vary from year to year.

This year, spending increase was 3.7 percent. There may very well be a situation that the economy worsen. If unemployment went up because of rising interest rates, then I think this is where we have a philosophic disagreement. Then I think there's a responsibility for government then to be more stimulative insofar as the economy. On the other hand, if the economy continues to improve, then I think that government can be less concerned about a stimulative function in respect to the total economic approach on the part of government.

MR. G. FILMON: Mr. Chairman, I thank the Premier for finally giving us some candour in this whole discussion, instead of carrying on with the airy-fairy, pie-in-the-sky optimism that the Minister of Finance gave us just a minute or so ago. His candour in telling us that he believes we're in a difficult position, that he talks in very hesitant terms of if the economy continues to improve, and he admits that it's a big if, is refreshing honesty, I think, given the bravado that was put forth by the Minister of Finance just a few minutes ago.

The Minister of Finance, of course, was talking glowingly and euphorically about a recovery that was already here. He was immediately challenging us, because we said that the recovery would pass us by, and he says it's here already. His First Minister has now candidly told us exactly what the government's real thoughts are, because they know full well that recovery doesn't mean 40,000 unemployed. Recovery doesn't mean a \$488 million deficit, cumulative of three years of \$1.4 billion deficit. Recovery doesn't look this way when there is no indication of better times to come or no confidence on their part that they can reduce that deficit next year. Mr. Chairman, recovery doesn't

look that way when you've still got a payroll tax that is the most damaging disincentive tax for job creation this province has ever seen. Recovery doesn't look that way when you have just been hit by a reduction in your credit rating.

Mr. Chairman, despite the Premier's statistics of what 1983 was over 1982 in terms of private sector investment, what I said earlier, and he can check Hansard, was that in the first two years of this government there was a net decrease in private sector investment, 2.9 percent over the two-year period. That's what I said earlier, and I repeat that. That is not recovery. That is not real, long-term, economic improvement in this province. That's not recovery when you have continuing increases in farm bankruptcies, despite the programs that this Minister wants to talk about.

So, Mr. Chairman, we are now down to a more realistic view. We are now down to more candour when the Premier talks about the nervousness in world markets; about the financial collapse in Third World countries that might impact upon world events; about the potential for higher interest rates, because we know those things as well. We read and listen to the economic projections, and we know that all of the bravado of the Minister of Finance won't make it any different. It will still be very difficult times under the stewardship of this government and this Premier.

MR. CHAIRMAN, P. EYLER: 1.(a)—pass.

Resolution No. 5: Resolved that there be granted to Her Majesty a sum not exceeding \$2,531,700 for Executive Council, General Administration for the fiscal year ending the 31st day of March, 1985—pass.

That concludes the Estimates for the Executive Council.

Committee rise.

Call in the Speaker.

Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

IN SESSION

MR. DEPUTY SPEAKER, P. EYLER: The Honourable Member for Inkster.

MR. D. SCOTT: Mr. Speaker, I move, seconded by the Honourable Member for St. Johns, that the report of the Committee be received.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable Minister of Culture.

HON. E. KOSTYRA: I move, seconded by the Honourable Minister of Co-operative Development, that the House do now adjourn.

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