

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 29 June, 1982

Time — 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for River East.

MR. P. EYLER: Mr. Speaker, I beg leave to present the Fifth Report of the Standing Committee on Law Amendments.

MR. ACTING CLERK, G. Mackintosh: Your Committee met on Monday, June 28, 1982 and heard representations with respect to the bill as follows:

Bill (No. 23) - An Act to amend The Legal Aid Services Society of Manitoba Act.

Mr. Sidney Green - Progressive Party

Bill (No. 27) - An Act to amend The Summary Convictions Act.

Mr. Norman Rosenbaum - Manitoba Association for Rights and Liberties

Bill (No. 51) - An Act to amend The Child Welfare Act.

Ms. Sybil Shack - Manitoba Association for Rights and Liberties

Your Committee has considered:

Bill (No. 53) - An Act to amend The Builders' Liens Act.

Loi modifiant la Loi sur le privilège du constructeur.

Bill (No. 31) - The Child Custody Enforcement Act. Loi sur l'exécution des ordonnances de garde.

Bill (No. 51) - An Act to amend The Child Welfare Act.

Bill (No. 23) - An Act to amend The Legal Aid Services Society of Manitoba Act.

Bill (No. 27) - An Act to amend The Summary Convictions Act.

And has agreed to report the same with certain amendments.

Your Committee has also considered:

Bill (No. 43) - An Act to amend The Public Schools Act.

Loi modifiant la Loi sur les écoles publiques.

Bill (No. 60) - The Statute Law Amendment Act (1982).

Bill (No. 52) - An Act to amend The Liquor Control Act.

And has agreed to report the same without amendment.

All of which is respectfully submitted.

MR. SPEAKER: The Honourable Member for

River East.

MR. P. EYLER: Mr. Speaker, I move, seconded by the Honourable Member for the Pas, that the Report of Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Member for Springfield.

MR. A. ANSTETT: Mr. Speaker, I beg to present the First Report of the Standing Committee on Municipal Affairs.

MR. ACTING CLERK: Your Committee met on Monday, June 28th, 1982 and appointed Mr. Anstett as Chairman.

The Committee heard representations with respect to the following bill:

Bill (No. 33) - An Act to amend An Act respecting the Assessment of Property for Taxation in Municipalities in 1981 and 1982,

Mr. Michael J. Mercury - Aikins, MacAulay & Thorvaldson clients Mr. David Pearlman - Private Citizen
Mr. Harry Peters - Manitoba Bar Association
Mr. R.O. (Bob) Douglas - Manitoba Farm Bureau
Mr. Murry Sigmar - Winnipeg Real Estate Board

Your Committee has considered:

Bill (No. 63) - An Act to amend The Credit Unions and Caisses Populaires Act.

And has agreed to report the same with certain amendments.

Your Committee has also considered:

Bill (No. 32) - An Act to amend The Municipal Act,
Bill (No. 33) - An Act to amend An Act respecting the Assessment of Property for Taxation in Municipalities in 1981 and 1982.

Bill (No. 50) - An Act to amend The Crown Lands Act and the Municipal Assessment Act.

And has agreed to report the same without amendment.

All of which is respectfully submitted.

MR. SPEAKER: The Honourable Member for Springfield.

MR. A. ANSTETT: Mr. Speaker, I move, seconded by the Honourable Member for Dauphin, that the Report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: Notices of Motion . . . Introduction of Bills . . .

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for

Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, my question is to the First Minister. Last evening, Mr. MacEachen stated in his Budget that he would be calling upon the Provincial Governments to join with the Federal Government in placing restraints upon public sector wages and upon costs that are directly within the control of the Provincial Governments. Could the First Minister advise the House of what his response will be to that request?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, Manitoba can only support a restraint program that indeed will support restraint for those of higher incomes within the public service, those earning \$35,000 and more. Indeed, that is what we have done by way of recent announcements, we've imposed an 8 percent limit insofar as all increases of public salaried employees of approximately \$35,000 and more. Insofar as Ministers of the Crown, the increase is 6 percent. The Members of the Legislature, as we all know, our increases are restricted to the CPI of the average industrial wage.

Compare that with what has taken place over the last two years, Mr. Speaker. There is quite a clear and distinct difference between the consistent approach at the provincial level, as opposed to the inconsistent approach that's been pursued federally.

MR. B. RANSOM: Mr. Speaker, does the First Minister believe then that Mr. MacEachen's call for restraint in the public sector compensation is an inequitable call, given the situation where we have so much unemployment and so many people accepting stable pay or even cuts in pay? We have, for example, over 5,000 of a workforce of something like 5,600 miners in Northern Manitoba unemployed at this time.

HON. H. PAWLEY: Mr. Speaker, the fact remains, and the important fact is that the present deep recession that Canada is suffering from relates to a tight money, high interest rate policy that has been pursued by the Federal Government, tracking policies that have been pursued for the last year-and-a-half, two years in United States of America. To deal on a cosmetic fashion without dealing with the real roots of the tight money, high interest rate policy, is not going to resolve the basic problems of this country.

Mr. Speaker, what I am concerned about is indeed by us attempting to do so, as the Finance Minister did last night, he will raise a false expectation that will be dashed when the situation has not improved, late fall or early summer, which may very well be the case unless there are some more fundamental and basic policies that are developed to contend with tight money, high interest rate policies overall. Unfortunately, this Budget did not come to grips with that situation.

MR. B. RANSOM: Mr. Speaker, is the First Minister going to Ottawa with a closed mind on this subject, or is he going to go to Ottawa willing to listen to the request that the Federal Government is making and to listen to the arguments that the other Provincial

Governments may be putting forward?

HON. H. PAWLEY: Mr. Speaker, let me assure the honourable member that we are always prepared to do that which is fair. We're always prepared to deal with an open mind, and I would hope, Mr. Speaker, that tomorrow we could diminish the extent of provincial-federal bickering, as we attempt to seek out solutions.

Insofar as Manitoba is concerned, our policy as per the MGEA settlement that was just concluded, does indeed propose an area of restraint. As I mentioned, those earning \$35,000 and over are restricted to an 8 percent increase. Those at the lower levels of income, the clerks, the janitors, the orderlies, Mr. Speaker, receive approximately 14 percent. Mr. Speaker, we are not going to impose the burden of inflation upon the poorest in our community. We, as a government, will not do that.

MR. B. RANSOM: Mr. Speaker, there are those in society who would argue that the public sector are not among the poorest people that we have in our province. Mr. Speaker, those who are unable to find jobs and those who have been laid off might consider themselves to be in a less advantageous position.

Mr. Speaker, what will the government's position be with respect to costs that lie within the control of the government, such as telephone system rates and rates charged in personal care homes?

HON. H. PAWLEY: Mr. Speaker, we'll be looking at all rates, because it is our desire indeed to restrain the increase by way of any rates. It's for that reason that the Minister of Education, earlier this year, imposed a tuition rate increase which was condemned by members across the way. It was for that reason indeed that the Minister of Urban Affairs imposed a transit fee rate freeze that was objected to by members across the way.

Mr. Speaker, I'd like to also point out . . .

MR. SPEAKER: Order please, order please.
The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I also would like to point out to the honourable members that when we do indeed compare settlements regarding the private sector and the public sector in Manitoba we do find many many instances of higher private sector settlements than indeed has been the case with the public sector. When the honourable member makes reference to public servants not being badly done by, Mr Speaker, that is why I emphasize, and I emphasize again, we limited the increase to those earning \$35,000 and over within the public sector to 8 percent, but we are not going to impose a 6 percent increase on the janitor earning \$11,000 or \$12,000 in the Department of Government Services; we are not going to impose a 6 or a 5 percent increase only on the cook working in the hospitals in the Department of the Minister of Health.

It is that very kind of inconsistency, Mr. Speaker, and inequity that generates . . .

MR. SPEAKER: Order please.

HON. H. PAWLEY: Mr. Speaker, it is my desire to complete my remarks without having to shout over singing from across the way and I would hope that you would ensure that such singing would not take place in the Chamber.

MR. SPEAKER: Order please, order please.
The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, as well, I should point out to honourable members across the way that in the past five years, 1977 up until the present time, changes by way of MGEA settlements have been 4.9, just about 5 percent, less than the rate of inflation during those five years, so how can it be claimed that public sector wage increases in the Province of Manitoba have contributed to inflation?

MR. B. RANSOM: Mr. Speaker, can the First Minister advise the House of any specific proposals which he will be placing before his colleagues when they meet tomorrow in Ottawa?

HON. H. PAWLEY: Mr. Speaker, there will be a number of proposals we will be putting before the First Ministers, including the Prime Minister tomorrow. There will be proposals that will deal not with cosmetic measures, but will deal with measures to call for a turnaround in regard to the tight money, high interest rate policy.

Mr. Speaker, I know that honourable members across the way do not like to hear this constant reference because, unfortunately, the Conservative Party has been bankrupt of ideas pertaining to the basic causes and illnesses within our total economic structure. Mr. Speaker, we propose to make submissions, to make a clear call.

Mr. Speaker, I again have to ask you if you are . . .

MR. SPEAKER: Order please.
The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, yes, we will be making proposals, but our proposals will attack the very root of the economic problems that we're confronted with in Canada today and elsewhere. Mr. Speaker, to do otherwise would be only trickery and gimmickry which this government is not going to participate in.

MR. B. RANSOM: Mr. Speaker, my question is the Minister of Finance. In view of the adjustments, rather dramatic adjustments, that the Federal Government has made in its projection of deficit and borrowing requirements and reduced revenues, can the Minister of Finance advise the House at this time what impact those adjustments are likely to have upon the deficit position of the Manitoba Government?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: The Member for Sturgeon Creek wants to hear about Australia; I'd be quite happy to talk about Australia. The Member for Turtle Mountain asked a serious question and I would hope, rather than having that sort of mumbling from across the way, we could deal with that kind of issue.

There are a number of items that we have noticed with respect to revenues from last night. First of all, there is nothing indicated in the Budget papers that we have been able to find indicating a specific figure as to reductions of revenues for the Province of Manitoba. However, there are a number of areas where, with the federal envelope system, it appears that there are some dollars being shifted out of some of those envelopes in order to pay for some of the programming announced.

One of those envelopes happens to be the Native Economic Development Program and it is being deferred. There is a decrease in federal expenditures in the amount of \$45 million for the year 1982-83. We don't know yet how that will impact on the Province of Manitoba. There is —(Interjection)— yes, the Northern Development Agreement. We could be having some problems and that, obviously, is of real concern, because you really then get into the question of how serious are we when we have .32 percent reduction in federal expenditures, as a result of this cosmetic so-called freeze that they have, .32 percent reduction in their total expenses. Yet, whom do they pick on to get this other programming of theirs going? Our Native Economic Development Program and I think that's a real shame. Now, we don't know now that it will be Manitoba which will be affected, but that's something that we want to find out about quickly.

The Western Economic Development Fund is being deferred to the extent of \$92 million from the year 1982-83. We don't know how that will impact on us here in the west, but there are no similar numbers for other parts of Canada and so obviously we are concerned. In terms of the loss in direct revenue in terms of income taxation from personal income tax or corporate tax, we do not yet have a number.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: In light of the questions, Mr. Speaker, to the Minister of Finance, and I would ask him, in light of the staggering deficit announced yesterday and the huge borrowing requirements that the Federal Government is now going to have to undertake, has the Minister done an assessment on what that will do to the available capital within the country, as well as the demand that will place on that capital and therefore probably have a further adverse effect on the interest rates?

HON. V. SCHROEDER: We haven't fully assessed what the impact will be. As the member knows, for the last several years there has been virtually no borrowing by the Province of Manitoba within Canada, because there hasn't been capital available. We have been required to go outside of the country —(Interjection)— the Member for Morris ought to be told that includes the previous government. It wasn't only this government that has been required to do that. This \$20 billion deficit which is, in per capita terms, double the deficit in the United States is certainly something that will cause further difficulty in terms of the ability of governments and corporations and individuals to obtain capital.

MR. R. BANMAN: Thank you, Mr. Speaker. Well then, in light of the fact that the Minister has confirmed that this staggering deficit and the huge borrowings that will be required to cover deficits, not only on the federal but on the provincial levels, is going to eat up available capital and is going to make capital scarce for even industry to expand and to undertake the very necessary job creation type of programs, in other words, development that's going to be undertaken in this province; in light of the fact that this money will not be available, would the Minister not agree that what effect this total package will have will be really to drive up interest rates, because there won't be enough money around to meet all the requirements that the governments are going to be faced with because of these staggering deficits?

HON. V. SCHROEDER: Interest rates may go up. One of the reasons they will go up is that we have been following a monetarist policy in Ottawa since 1975 and in the last several years the supply of money has not been increasing, even at the rate of inflation. Surely, the member would recognize that would have something to do with interest rates. The fact that there will be more borrowing by the Federal Government would naturally have something to do with interest rates, as well. I'm sure, as the recession carries on and corporations become more cash poor and are required to borrow more money, that will also have an impact on interest rates in the country.

MR. SPEAKER: The Honourable Member for The Pas.

MR. H. HARAPIAK: Mr. Speaker, I have a question for the Minister of Natural Resources. Under the previous administration, there was a committee struck to deal with multi-land use of the Saskeram area and I thought that was a good idea, a good way to deal with a difficult situation. Recently, the committee made a decision not to cut hay unless there was an emergency situation. Due to the poor growing conditions in Northern Manitoba, a number of farmers have applied for permits to cut hay in the Saskeram area and they have been denied. I am wondering if the Minister would consider that as an emergency situation.

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, I want to thank the honourable member for giving me notice of the question.

I have had representations made by the member and by others in connection with this problem which is one of long standing. The Saskeram area is one that hopefully can provide the needs and meet the needs of multi-use, including the farming and wildlife protection and wildlife habitat. Each of the demands has to be evaluated carefully. I have indicated that I am prepared, and our government is prepared, to look at these demands. If there is legitimacy to the problem in respect to hay in the north, obviously we are going to have to consider some harvesting within that area, but that is something that I hope very shortly I will be able to go up to The Pas area; I'll have a look at it personally

and I'll have an opportunity to talk further with people up there.

While I'm on my feet, Mr. Speaker —(Interjection)— well, this is a good time for haying in the Province of Manitoba; that's true. Mr. Speaker, while I'm on my feet, the other day a question was addressed to the Minister of Industry and Tourism about how people, nonresidents, would know about a restriction of fishing on Molson Lake. I would like to indicate that the restriction applies to nonresidents of Canada; that is, Manitobans and Canadians can —(Interjection)— well, Mr. Speaker, on the opposite side, we have some knowledge about the beverage industry. I won't make further comment on that except, Mr. Speaker, I want to make it very clear that in respect to fishing on Molson Lake, which is one of many thousands of lakes that are available for nonresidents to fish, is against nonresidents of Canada. Manitobans and other Canadians can fish in Molson Lake, but there was a concern to provide a continuance of economic activity in certain of these areas of the north and it was suggested that, as a pilot, we look at the provision that guiding would have to be necessary on that lake, so that is why the restriction is there. In respect to those nonresidents, when they buy their licence, they will note that restriction.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, the question simply had been: what information was available through the Tourist Information Booths to fishermen coming into Canada. I don't believe there is any information available in the Tourist Booth; it would probably be a good idea to have information there as well.

In respect to the situation in the Saskeram, Mr. Speaker, will the Minister be making the decision personally as to whether or not to allow haying to take place in that area?

HON. A. MACKLING: Mr. Speaker, responsibility for a decision in respect to hay harvesting ultimately rests with government and the Minister involved, and I won't try to duck that responsibility, but I will take advantage of the best advice that is given to me, including an opportunity to consult with the people most affected.

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker. My question is for the Minister of Agriculture. During the review of the Interest Rate Relief Program, the Minister undertook to provide me with certain information on who had received assistance under the Farm Program and the Small Business Program, as well as some detailed information on the parameters. Will the Minister be making that information available to me today?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Not today, Mr. Speaker.

MR. D. ORCHARD: Like most things to do with the Minister of Agriculture, I have to comment that he has failed miserably at providing even the smallest amount of information legitimately requested by members of the Opposition.

Now, Mr. Speaker, I have a question for the Minister of Transportation. In view of the fact that the grants to the City of Winnipeg were increased so that transit fares in the City of Winnipeg could be frozen, has the Minister of Transportation provided sufficient increase in grant to the handicapped transit systems in rural Manitoba, so that the user fares paid by disabled persons in rural Manitoba will likewise not rise this year?

MR. SPEAKER: The Honourable Minister of Government Services.

HON. S. USKIW: Mr. Speaker, I believe the Member for Pembina is indeed familiar with the handicap transit system. That is supported by the Department of Transport throughout all of rural Manitoba. Of course, we have had ample opportunity to debate that question during Estimates Review and I don't recall that question being put at that time. I believe the funding is adequate for the moment, Mr. Speaker.

MR. D. ORCHARD: Then, is the Minister of Transport telling us that user fees paid by disabled people in rural Manitoba will remain frozen for this year because of increased grants provided by his department to the various handicapped transit systems in rural Manitoba, in agreement with the increased grant provided to the City of Winnipeg to freeze transit fares for all users in Winnipeg, not just the handicapped?

HON. S. USKIW: Mr. Speaker, we did discuss this very point during Estimates review and I don't know what it is that the member is trying to suggest that is new to the situation. We've had a full discussion on that question.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Mr. Speaker, I have a question to the Minister of Natural Resources. In view of the request from the Member for The Pas, which I think is a reasonable request, and in view of the fact that the farmers and the wildlife people of Ducks Unlimited have shared the use of the Saskeram, I believe, if my memory is correct, that during our term of office, the latter part, we were working out a mechanism so that the farmers and those individuals could get into the Saskeram area either by bridge or, I think it was a barge that was being made available to those residents to get into that particular area. Is that being carried out? Is that barge in place so that the citizens of that community can cross the river and get into that hay meadow?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, it has been indicated to me that historically, for the use of hayland across the river in the Saskeram area, that the ranchers have just led their cattle or the cattle have swam

across the river. To have a barge fixed at one point some several miles upstream or downstream, I'm not sure which it is, most farmers or most cattlemen would find it far more convenient than herding the cattle some number of miles, to just have them go across the river as they did in the past.

There has been a barge available that was constructed by people up there and apparently that has continued to serve the purpose of most of them. I am going to be going up there and I will be looking at that situation. There are some differences of opinion as to the practical use of a barge and whether it really is desirable.

MR. J. DOWNEY: Mr. Speaker, that is one of the difficulties that the people have when they go into that particular area to hay and that is access to it. There has been a program approved; I think it was approved during our period. The question is, has that barge been put in place? Because they need that barge to get the hay out, not necessarily to take the cattle in and out. We are aware of the fact that they can move back and forth across the river but, Mr. Speaker, has the Minister put a barge in place so that there is access to that hay meadow?

HON. A. MACKLING: Mr. Speaker, the Advisory Committee, that quite properly was established some time before I took office and this government took office, recommended against the barge; that's why it isn't there. However, I have indicated that I'm prepared to look at that whole question and see what the proper resolution of some of those things would be.

MR. J. DOWNEY: Mr. Speaker, we are well aware of the fact that there isn't any access to that particular area.

I have a question for the Minister of Agriculture, Mr. Speaker. In view of the fact that he was going to introduce an Emergency Beef Support Program after being elected last November, and there still hasn't been a program announced, when does the Minister of Agriculture plan to announce the program? Is it going to be a one-term payment, one-shot payment, or is it going to be the kind of program that a farmer has to sign up for six years; pay a 4 percent to 8 percent premium, a compulsory government marketing program? He hasn't given us many answers; I wonder, Mr. Speaker, if the Minister could give us answers to those questions.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, to the Honourable Member for Arthur, the program that was announced will be a voluntary program available to all producers: Mr. Speaker, the Producer Advisory Group, I am advised, will be making their recommendations to myself and to the government hopefully within a week to ten days. At that point in time, we will see what the recommendations are and make our decisions based on those recommendations, at which time the plan will be implemented.

With respect to the questions dealing with whether there will be a pay out, Mr. Speaker, that will be dealt

with and is being dealt with in terms of the producers' recommendations. There are varying opinions on that, whether those funds should be used to assist in the premiums towards the program.

Mr. Speaker, with respect to the length of time, there are other options, as I've mentioned before, dealing with the contract provisions. The contract could be an ongoing contract and those aspects are being discussed by the producer group.

MR. J. DOWNEY: Mr. Speaker, a final question to the Minister. Will he accept the recommendations from the beef industry that have already been put in place to make a one-time payment of \$45 or \$50 per cow and forget about the kind of socialistic hanger-on clauses that he wants to hang on the beef industry? Will he make that one-shot payment, Mr. Speaker?

HON. B. URUSKI: Mr. Speaker, it's kind of ironical that the Member for Arthur now deems a program, where there are premium contributions, there is a time frame, and there is a marketing plan involved in a program that is voluntary, is socialistic, when one examines those comments as compared to the program that he brought in dealing with the hog producers last year. So, it's kind of ironical that the honourable member speaks of it.

With respect to the question of immediate pay out, Mr. Speaker, that has been dealt with in this Chamber before. I told the honourable member and the members of this House that the Advisory Committee, in their deliberations on that, were split in terms of whether or not there should be an immediate pay out or the money is used for people who enter the program. Based on the advice of the committee, as divided as it was, Mr. Speaker, we have held back from that and the monies will be used at the time the program is announced.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, a question directed to the Minister of Natural Resources. Aside from the hay and agriculture interest at the Saskeram of course, it is one of the better known areas for wildlife production. My question to the Minister is, how are the negotiations proceeding with Ducks Unlimited with respect to their future management or role in the Saskeram generally?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, the honourable member well knows that Ducks Unlimited have a very substantial investment in wildlife management in all parts of Manitoba. While we are concerned to make sure that those programs are maintained, we have to recognize the legitimate concerns of agriculture in this province as well. So there is a very —(Interjection)— I hear some quacking noises from the other side of the Chamber, Mr. Speaker. Maybe it's the late hours we've been keeping, but there is a little bit of frivolity here that is maybe unnecessary.

Mr. Speaker, there are ongoing concerns. There are strong, strong views in respect to wildlife protection; there are strong views in respect to enhancement and

development of agricultural potential. It's with those kinds of difficult strong positions that we have to find a compromise position, and we're certain that we can work towards a resolution of those differences.

MR. H. ENNS: I appreciate the Minister's, dissertation on what has always been the fact in Manitoba, the conflict between agricultural or wildlife views, but my question was simply, is he talking, is he negotiating with Ducks Unlimited with respect to the future management of the Saskeram area? Are you in a process of negotiation with them?

HON. A. MACKLING: Mr. Speaker, we are not negotiating because there is no development program that I am aware of in respect to Saskeram that Ducks Unlimited are proposing. There are no changes.

There is an existing situation that there are differences in respect to. There were demands for reduction in the size of the Saskeram by the farming community; there are demands that the water level be reduced so that more agriculture can take place; there is a concern and an insistence on the part of Ducks Unlimited and others that water levels should not be reduced because wildlife habitat is needed there.

MR. H. ENNS: The fact of the matter is that a lengthy long-term lease that Ducks Unlimited has in that area of Saskeram is running out. I believe it is up for renewal in 1983, which is upon us in terms of this kind of a situation. The Minister has already alluded to the many millions of dollars of investment that Ducks Unlimited have in the area. My question is, is he not carrying on, or is his department not currently involved in, renegotiating a further long-term management lease for the management of wildlife in that area with Ducks Unlimited?

HON. A. MACKLING: Mr. Speaker, my department is looking at all of these concerns and considerations, the concerns of all interests in respect to that area, and we will be announcing our policy decisions in due course.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, my question is for the Minister of Natural Resources as well. Due to the fact that the Indian Band at The Pas has a longstanding interest in the Saskeram area, and that arrangements were entered into in 1964 when the Summerberry area was flooded, which gave some special significance then to the Saskeram area as an area where mitigation would be carried out as compensation for the flooding of Summerberry, my question to the Minister would be, has he personally had an opportunity to meet with The Pas Indian Band to discuss the future of the Saskeram area?

HON. A. MACKLING: Mr. Speaker, the short answer is no, I have not. I certainly intend, before any decision is made that could vitally affect any interest group there, to consult. I want to indicate that I am aware of the fact that in respect to the Saskeram, when I talk about wildlife, we're not talking simply about wild

fowl. There is a very substantial concern in respect to the continuation of fur marketing for muskrats in that area.

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. G. FILMON: Mr. Speaker, my question is for the Honourable Minister of Energy and Mines. Mr. Speaker, I am given to understand that there are some people who have had urea-formaldehyde foam insulation placed in their homes with the use of a Manitoba Hydro loan. In some particular instances, as a result of health problems in the family, they have at their own expense had their foam removed and replaced, but they still have to pay off the loans to Manitoba Hydro for the installation. It seems rather unfair that they have paid \$10,000 initially to have the insulation installed and another \$8,000 to have it removed, and now they're still having to pay off the loan to the Hydro. I wonder if the Minister can look into this, or if he has looked into it, if he could just tell us what the Hydro's position is on the matter.

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

HON. W. PARASIUK: Mr. Speaker, on this issue, this was a matter which we believe certainly is the Federal Government's responsibility. We believe that in that position we are no different than the previous government. There has been no change in policy on that. We believe that it's the Federal Government's responsibility to deal with a matter that in many respects, I think, has been sadly neglected by the Federal Government. If indeed all of these people were living in one geographic area, I would think that, just as with a flood or anything like that, it would probably be declared a disaster area and appropriate federal assistance would be provided. That hasn't been the case to date, although it appears that there has been some moderation of the federal position.

We believe that this is entirely a federal responsibility. Manitoba Hydro has acted as a conduit. They do have bills outstanding. We believe that the consumers, all the Hydro ratepayers in Manitoba, should not be subsidizing particular people who have taken out loans. It is Manitoba Hydro's position that the bills should indeed be repaid by individuals who owe Manitoba Hydro money.

MR. G. FILMON: Mr. Speaker, I know that the matter is one in which the responsibility, the prime responsibility, certainly rests with the Federal Government. But I am aware of this particular instance, as I say, in which the individual has paid for the removal with no help of the Federal Government's program or assistance. Although the Minister and his colleagues in Cabinet are always looking to put the responsibility onto the Federal Government, in this particular case Manitoba Hydro is the agent from whom the loan was obtained and under whose program the loan was obtained. It seems to me that the Minister, without the assistance of the Federal Government, could make a decision that would be, I think, fair and reasonable treatment for this particular individual and others who are in the same circumstances. It is Manitoba Hydro

and it is within his jurisdiction to make that decision at the moment. It is they who are causing this person to continue to pay for something that has long since been removed and thrown away.

HON. W. PARASIUK: Mr. Speaker, Manitoba Hydro acted as a conduit for this program in providing assistance. If the member is saying that all consumers of Manitoba Hydro, that is the Hydro ratepayers, should provide particular and specific subsidies to those people who used Hydro as a conduit to put in urea-formaldehyde in their homes, fine. I wish he would ask that as a specific question, because that is really the intent of what he is asking.

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

MR. W. MCKENZIE: Mr. Speaker, I have a question for the Honourable Minister of Agriculture. Mr. Speaker, in response to the answer as given by the Minister of Agriculture a few moments ago to the Honourable Member for Arthur regarding the hog program in this province, can the Minister assure the House and the hog producers in this province that he is going to continue with that program which he said is fulfilling the needs of the producers in this province?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, the program is continuing to its length that was earlier announced.

MR. SPEAKER: Order please. The time for Oral Questions having expired, Orders of the Day.

ORDERS OF THE DAY

ORDERS FOR RETURN

MR. SPEAKER: Orders for Return.
The Honourable Member for Rhineland.

MR. A. BROWN: I beg to move, seconded by the Member for Roblin-Russell, that an Order of the House do issue for the Return of the following information:

1. The log of all Government of Manitoba aircraft showing passenger lists, dates, destinations and purposes for all flights from November 30, 1981 to the date of this Order.

2. The number of aircraft chartered or leased by Government and Crown agencies during the period November 30, 1981, to the date of this Order, and the date of each flight, the passenger lists, the purpose of the charter or lease and the costs of the said charter or lease.

MOTION presented and carried.

MR. SPEAKER: The Honourable Member for Niakwa.

MR. A. KOVNATS: Thank you, Mr. Speaker. I beg to move, seconded by the Honourable Member for Assiniboia, that an Order of the House do issue for the

return of the following information:

The travel and expense allowance paid for or on behalf of all members of the Executive Council and all members of any Board, Commission or Agency of the Government of Manitoba for the period from November 30, 1981, to the date of this order.

MOTION presented and carried.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I beg to move, seconded by the Member for Emerson, that an Order of the House do issue for the return of the following information:

1. Names of all employees of the Executive Council to whom Manitoba Government vehicles were assigned from November, 1977, to November 30, 1981.

2. Names of all employees of Executive Council to whom Manitoba Government vehicles have been assigned from November 30, 1981, to the date of this order.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

HON. R. PENNER: Mr. Speaker, would you please call the Adjourned Debate on Second Reading of Bill No. 62 as it appears on page 8 of the Order Paper?

ADJOURNED DEBATES ON SECOND READING

BILL NO. 62 - THE HIGHWAY TRAFFIC ACT

MR. SPEAKER: On the proposed motion of the Honourable Member for St. Norbert, Bill No. 62, standing in the name of the Honourable Minister of Government Services.

HON. S. USKIW: Mr. Speaker, I want to just make mention of the fact that I appreciate that the Member for St. Norbert is well motivated in introducing that amendment to The Highway Traffic Act.

I'm also mindful, Mr. Speaker, of the fact that we have a committee at work that is to report to myself with respect to all modes of handicapped vehicles that we will want to licence or approve in due course. For that reason, because I think it would be prudent to receive that report before we proceed with any further amendments in this area, I am going to indicate to members opposite that we at this time do not propose to accept this bill, but will be introducing a comprehensive approach to this question at the next Session.

MR. SPEAKER: The Honourable Government House Leader.

HON. R. PENNER: Mr. Speaker, I move, seconded by the Minister of Municipal Affairs . . .

MR. SPEAKER: Order please. Is there any other member wishing to speak to the bill before

it is adjourned?

The Honourable Member for Pembina.

MR. D. ORCHARD: Well, Mr. Speaker, the Minister has made comment that he has a committee that's studying all modes of handicapped transit, but this amendment, if accepted and passed, could occur that way with the provision attached to it that it's proclaimed at a later date pending the report of this committee. This is a proposal that I made last year in The Highway Traffic Act and was turned down at that time by the Opposition. It has a lot of merit in passing the amendment, proclaiming it at a later date if necessary; but my colleague, the Opposition House Leader, says at least they're consistent.

Well, I suggest they aren't consistent, because we have the Minister of Health bringing in a bill dealing with lotteries that he wants today prior to the report of a committee studying lotteries and he's bringing in a bill. Now the Minister of Transportation doesn't want to accept this rather simple amendment, which could be proclaimed later, and have it on the books so that if his committee reports in July and says this is the course of action that should be undertaken, the Minister would have the legislative authority to proclaim at that time.

In one case with lotteries, they will bring in legislation that they don't intend to use until after a committee reports and in this case, where it deals with handicapped transit potentials in terms of the vehicles they can use, this Minister and this government as they did in Opposition, are opposed to it. I suggest that the very simple way of proceeding with this is to pass the amendment and have an overriding clause that shall not be proclaimed until his committee reports, because I'm sure his committee is going to find that amendment very much fits their desires and I would make that suggestion to the Minister of Transportation and to the Government House Leader for very serious consideration.

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Mr. Speaker, I move, seconded by the Minister of Municipal Affairs, that the debate on this bill be now adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

HON. R. PENNER: Mr. Speaker, I move, seconded by the Minister of Municipal Affairs, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of Ways and Means for raising of the Supply to be granted to Her Majesty.

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

COMMITTEE OF WAYS AND MEANS SUPPLY - MAIN SUPPLY BILL NO. 48 - THE APPROPRIATION ACT, 1982

MR. CHAIRMAN, H. Harapiak: The Committee will

come to order. We will continue with the Main Supply Motion.

The Member for Turtle Mountain.

MR. B. RANSOM: Thank you, Mr. Chairman. I am of course interested now to pursue the question which was placed in question period about the impact of new federal calculations upon the revenues of the province. Given the fact that the Federal Government had been projecting a deficit seven months ago of a range of \$10 billion that has now risen to a projection of close to \$20 billion, and that the Federal Government's borrowing requirements in that period of time had gone from \$6.6 billion now to, I believe, \$17.1 billion, can the Minister of Finance now give us any indication of where he would expect revenues of the province to be reduced from the calculations that the Federal Government provided six months ago, if indeed he expects them to be reduced?

MR. CHAIRMAN: The Honourable Minister of Finance.

HON. V. SCHROEDER: Yes, Mr. Chairman, the area where we would expect, if there would be a decrease and it is more likely than not that there will be a decrease, that area would be in corporate income taxes as opposed to personal income taxes or corporate capital tax or the other general taxes. The amount is still something that, as I indicated, Ottawa will be providing us with the figures sometime before the end of summer, but there were no such figures in the Budget papers, the background papers that were presented last night.

MR. B. RANSOM: Mr. Chairman, what would the Minister's intention be with respect to making information known if the calculations that had previously been provided by the Federal Government proved to have been altered significantly, or will the Minister be releasing that information soon after he gets it or will he be waiting until the next Quarterly Report before giving that indication?

HON. V. SCHROEDER: Yes, Mr. Chairman, I am advised that since the quarterly reporting system was put into place, there have been no revisions in the first quarter, even though there may have been indications that there will be changes. It's ordinarily happened that any revisions were made after the second quarter.

When those numbers become available from Ottawa, I would presume, however, that they will be going right across the country and I can't imagine them remaining secret. My inclination would be to release them at the time that we receive the official figures from Ottawa in order that people can see what is happening here and it's very easy to relate those numbers or any changes to what will occur with our financial position at the end of the year.

MR. B. RANSOM: Mr. Chairman, I would hope the Minister would pursue that course of action and make the information known, because if he is to wait until the September Quarterly Report comes out in November, and it would be some time before we would be aware of what was happening. I fear, although I hope it's not the case, that the revenues as

set out in the detailed Estimates of Revenue are higher than revenues are actually going to be. I would personally judge that there is a good chance or a bad chance, depending on how you look at it, that revenues are going to be reduced by tens of millions of dollars from the Estimates which we have before us at the moment.

Mr. Chairman, there is one question that I would like to ask arising out of the preliminary financial statement, which was released yesterday, and that is the figure on page 2, which shows the gross direct debt of the province having increased by \$645,000,461 in 1982 over 1981. That's not entirely clear in my mind just how we would have that magnitude of increase in the direct debt of the province at a time when our deficit was \$250 million.

HON. V. SCHROEDER: Mr. Chairman, first of all, there was some catch-up element; that is, there was some borrowing for past authority, but the general purpose debt went up by \$410 million and the self-sustaining by \$235 million, self-sustaining being the Crown corporations.

MR. B. RANSOM: Mr. Chairman, I'll have to ask the Minister to repeat that, and if I could ask my colleague, the Member for Pembina, and the Minister of Agriculture to cease and desist from their exchange here. The sound system doesn't seem to be working quite right and it's rather difficult to hear.

HON. V. SCHROEDER: Yes, Mr. Chairman, again, I should start off by saying again that there was some catchup, there was an element of catchup involved in the borrowing from previous authority, but the general purpose debt was \$410 million of the \$645,461,000.00 Then the Crown corporations was \$235 million, and I could break that down some more: \$127 million of that was Hydro and \$72 million was Telephones and then smaller amounts were other organizations.

MR. B. RANSOM: Mr. Chairman, the catchup, which the Minister refers to in general purpose, it was my understanding that it had not been the intention of the government originally to borrow that amount of money to show in this way as going into direct debt. At the time that the Budget was tabled a year ago, the borrowing requirements were not that high, so I'm wondering was this done to take money out of short term and put it into long term, because it happened to be opportune at the time.

HON. V. SCHROEDER: Yes, Mr. Chairman, there were short-term liabilities converted into long term and that is the reason for the difference.

MR. B. RANSOM: Mr. Chairman, so the effect of that decision, having been made after we had left government, which may well have been a correct one from the point of view of financing will end up showing a higher direct debt for the province for the year 1981-82 than had been anticipated in the Budget in the previous year.

Mr. Chairman, I'd like to ask the Minister a few questions arising from the debate that's taking place

in the House ever since the Session began and continued to some extent this morning during question period and that has to do with the question of interest rates. I'm interested in knowing what sort of position the government is going to be putting forward on Wednesday when they meet with the other First Ministers of the country. Given the fact that the federal borrowing requirements have now gone from 6.6 billion to 17.1 billion, I expect that Manitoba and the other provinces are also going to find themselves with larger borrowing requirements than they have anticipated, given the fact that the Federal Government has over the past year or two been requiring in the range of 80 percent of all the capitals that is available in Canada; given those circumstances, I would be interested in knowing what position the government is going to be putting forward that would somehow show a rational route that the Federal Government could follow in attempting to bring interest rates down.

We all would very much like to see reduced interest rates, but I don't think it's good enough simply to talk about it and to say that they should bring interest rates down. I think everyone is interested in looking at any suggestion that anyone might have that could conceivably result in lower interest rates, but the suggestion has got to be something that makes sense from an intellectual point of view and makes sense from the way the real system works.

So since the House may well not be sitting after the First Minister returns from this meeting on Wednesday, perhaps the Minister of Finance could outline the position of his government to the Committee.

HON. V. SCHROEDER: The member indicates that we would all like a reduction in interest rates and, of course, he is correct. That is the policy that in our view has put us to a large extent in the position where we now are, where people are just not prepared to spend money, where people can't afford to go and borrow money for consumer items, for business purposes, for business expansions, and certainly the government is in a position that's similar to other players in the scene. We have some concern that what is happening is that we are not going to be going back to lower interest rates when you see, for instance, Ontario Hydro floating a 30-year issue at something like 17 percent. When you see other large corporate issuers getting into similar long-term commitments at high interest rates, it almost seems as though one might despair of getting lower interest rates and yet, as long as we have these rates, we are going to continue to have a great deal of difficulty in getting the economy going.

Now, over the weekend, I had an opportunity to do a little bit of reading and there's an interview of Paul Samuelson, the economist, who wrote some books on economics that all first-year economic students have studied over the years. He was referring to the attempt to control the rate of money growth in the way it is being done in the United States and Canada and the theories behind it as shibboleths. He said that the monetarist policy that has taken over on this continent since the mid-1970s has been a destructive policy. We've been saying that throughout and in so saying I recognize, as the Member for Turtle Mountain well knows, that we cannot completely march to our own

drummer; that is, that we are affected by the policies of our neighbour.

That having been said, we are nevertheless a couple of percentage points above our neighbour. We are not below our neighbour. Although you might say we're tracking them, we're tracking from above rather than below. When they talk about the causes, when the federal people talk about the causes, they say yes, it's not wages, but that's the only place where we can hit. They don't talk about oil; they don't talk about energy; they don't talk about the fact that in a month or so we're going to have another increase in that cost which is another huge transfer payment out of the Province of Manitoba and into the Provinces of Saskatchewan and Alberta. They don't refer to that as being at all the cause of inflation or higher interest rates in the country, and in their background papers and in the Budget, they talk about restraints on all kinds of public sector components, public transportation. They talk about food costs, etc., communications, as being areas where they will adhere to a 6 percent and 5 percent guideline, but they don't say that with respect to energy. They seem to specifically want to avoid that one in terms of having any relation to the problem that we are having.

Previously there was reference made, I believe, to the fact that in Manitoba the public service over the last five years has had pay raises that have in total been 4.9 percent below the total inflation rate during that time, so the average public servant in 1982 is about 4.9 percent worse off than they were in 1977 in Manitoba. That surely is an indication that they aren't the ones who have been causing the inflation.

I think that if you looked at the wages of Members of Parliament that there would be a different number; that is, they would be well above inflation. Members of the Legislature, in comparison, have not been adding to inflation because of the type of formula that we have with respect to our increase which is based on the average industrial wage in the province. So I think those kinds of things have to be looked at seriously in terms of whom are we hitting when we're dealing with those kinds of controls. Are we hitting the causes or are we just firing away and hitting anything that might happen to be in the way.

Getting back to the interest rates which was the question that the member asked about and availability of capital, we haven't had capital available for us in Canada for a number of years. I don't see any chance of us having capital available - now I should say other than Alberta and the Canada Pension Plan, and that's short term. Other than that, we've not been able to go to the public markets in Canada or have felt that we wouldn't be able to pick up money. We're in no different a position now. I suppose the only - well, I shouldn't say no different - we are in a worse position in that we now obviously will have more competition when we go for the American dollar, the Euro dollar or other currencies. Whether this amount of increase in one country's deficit would have any kind of a significant bearing on world interest rates which is where we will be going to the markets where the money is, I really haven't got any information on that.

MR. B. RANSOM: Mr. Chairman, I am not especially interested in debating the Federal Budget with the

Minister, I am interested in some specific positions which I assume this government is going to have to take, some issues they're going to have to take positions on. I'll lay out some questions here then for the Minister, and hopefully when he answers, he'll address them.

When the government and the First Minister goes to Ottawa tomorrow, is he going to be saying to the Federal Government, for instance, that they should cut taxes? I believe this is the position that's being put forward by the federal New Democratic Party at the moment. They're suggesting that the government should be cutting taxes, and they should be spending more money. Is the First Minister going to be urging the Federal Government to loosen up its spending and to spend more money than they are now on job creation or stimulating the housing industry or whatever? Are they going to at the same time be advocating that they cut taxes which, of course, if it took place would result in an even larger federal deficit?

In view of the fact that the deficit is as large as it is now and depending on the position that the government takes, if the recommendations were followed, it would be even larger. Therefore, what will the government be recommending with respect to interest rates? Will they be suggesting to the Federal Government that they reduce interest rates to a rate that's equal to the prime rate in the U.S., to a rate that's 2 percent under or do they also agree, as I believe is the position of the federal New Democratic Party, that interest rates should be only 1 percent above inflation? What position will they be taking with respect to inflation? What are they going to be telling the Federal Government on Wednesday and their colleagues? Are they saying, abandon the fight against inflation, or are they saying fight inflation by some particular course of action?

Mr. Chairman, these are very troubled economic times for the province and for the country, and it's a time for some very serious debate and well thought out positions and not a time for posturing by governments. People are looking for some leadership; they had hoped that they were going to get leadership last night in the Budget. I am not sure that the public is going to feel that they did receive that sort of leadership. Now I am interested in knowing what kind of leadership this government is going to provide when they go to Ottawa tomorrow.

HON. V. SCHROEDER: Well, Mr. Chairman, I do have to say that although we haven't yet had our governmental get-together in terms of exactly what we will be saying tomorrow - we do have time between now and then - I do have to say that certainly I am not very impressed with the stimulative measures taken by the Federal Government. They are on the one hand adding taxation or reducing pay outs in the grand total amount of \$3.042 billion over the two-year period and are putting back in, in total with all of those stimulative programs, \$2.316 billion for a net decrease of federal expenditures, be they increases in tax or decreases in pay out, the net impact being a decrease of \$726 million in federal expenditures. So that anyone who watched Mr. MacEachen there and thought that they saw a man delivering a stimulative budget, a stimulative program for the country for a two-year period,

was seeing a mirage; it wasn't there. There may be specific areas that will be stimulated but, on the other hand, there are other areas where there are more tax collections or lesser pay outs to more than make up for the new initiatives that the government has decided to enter into.

It is my view, certainly, that we should have been looking at areas of expenditure that we do need in the long run; things such as moving ahead with upgrading of rail facilities in the west; things such as improving housing; improving some of the large city core areas, areas that would in the long run provide us with a return on our investment.

I know the members are concerned about interest rates. On the other hand, as I indicated previously, there appears to be a long-term trend toward high interest rates and I'm not exactly sure when, internationally, they really will come down. If these are the rates we have, we should be looking at what we can be doing that will provide us with returns on our investment in the long term.

Now, in terms of the impact of that kind of program - just before I leave the area of the increases in taxes by the Federal Government or decreases in expenditures by the Federal Government, although the Member for Turtle Mountain is talking broad brush - we have to talk broad brush occasionally - I suppose I'm looking at it from a narrower perspective when I'm looking at this paper. Because when I'm looking at it, I'm seeing areas that are going to vitally affect Manitoba; the Native Economic Development Program deferral of \$45 million for this year and \$40 million for the next year for a total of \$85 million; the \$92 million for the 1982-83 Western Economic Development Fund deferral; development assistance reductions of \$175 million. Those kinds of things will surely affect what will happen in the Province of Manitoba.

So those are areas that I have, initially since last night, been thinking about in terms of a response to the Federal Government, because while the Federal Minister of Finance and all of us should be looking at total impacts, some of us also have to look at those individual items. If we have one kick at the cat, and I'm not particularly happy about the timing of it, then we have to be sure that we are prepared for those items. That is, all we have had basically is we will have had less than 24 hours of preparation time before we're on the aircraft going to Ottawa after a Budget that took, one would expect, a number of weeks to prepare. Our response has to come and I suppose members of the Opposition would expect our response to deal with Manitoba and so those are areas that we're looking at.

If the Federal Government had listened to the Premiers back in February about interest rates and failed to continue to artificially prop up the dollar and failed to continue to throw in all kinds of money, in so doing we could have had a dollar that would be probably in the area that it is now with lower interest rates. Because if we would have done it then, we could have had our lower interest rates. There were articles, just recently in the financial papers as well, referring back to that as a moment when the Federal Government lost its nerve and didn't do something that would have worked. They didn't do it and now we have the worst of both worlds. We have the lower dollar and we don't have the advantage of having the lower interest rate.

So we got it on both ends and we have also, on a third front, lost a lot of revenue in propping up the dollar for that period of time.

Inflation, well, it seems to me that when you look at the cause of this round of inflation, you have to look at energy prices as much as at any other cause. That is certainly not something that the government appears to be prepared to come to grips with, but the back-bench is certainly coming to grips with it right now. It may very well be that we will have a complete official policy available for you before this very Session ends.

I do have to say to the member that we've been more concentrating on swimming than what we're going to do once we get to the boat.

MR. B. RANSOM: Thank you, Mr. Chairman. Well, I can understand that the government hasn't had an opportunity to review the Budget in detail and take a position on the Budget but, quite frankly, Mr. Chairman, I am shocked to hear that the Minister at this point doesn't have a firm proposal to make when they go to Ottawa tomorrow. People in this province, in this House, have been led to believe that the government had a workable plan that could result in interest rates being lower than they are and that's the sort of plan that everybody would like to know about these days. Now, the Minister is telling me that he doesn't have a position worked out, yet I take it that they don't agree with the monetary policy of the Federal Government, which I again take to mean that they could only be looking to have the monetary supply increase; that the government should in fact be printing more money than it is now. Is that a recommendation that the province is going to be making to the Federal Government? Are they going to recommend a level, a target, that the Federal Government should be trying to attain?

The Minister himself says he doesn't know. He can't begin to foresee when the international interest rates are going to fall. I agree with him that's something that he can't predict, but given that they are as high as they are and I believe he said that Ontario Hydro had entered into a 30-year loan for in the range of 17 per cent; if the international market is that high and if Canada's borrowing requirements are as colossal as they are and the Federal Government running a deficit at twice the rate the national government of the United States is running their deficit; given these kinds of circumstances, does the Minister see how the domestic interest rates can be significantly lowered from where they are now?

HON. V. SCHROEDER: Well, Mr. Chairman, I do believe that if we would have, as I said earlier, we should get away from the policy of monetarism, the policy that thinks that you can have some kind of a formula that has never been demonstrated to work. I think that we should be getting away from that.

I've also said that I believe that in all practicality unless we could set up very very stringent exchange controls it would be practically impossible to be very much below United States interest rates because we are so closely connected with the United States. Going only on completely independent interest rate policy would be a very difficult proposition. On the other hand, I don't believe that we need to remain at

interest rates that are above American rates and then turn around and blame the Americans because we have high interest rates.

MR. B. RANSOM: Mr. Chairman, I'm not going to pursue this point much further. I guess a couple of questions in this area that I'd like to ask the Minister then. Given the borrowing requirements that Canada has and the provinces have, that the cities have and the private sector has, does the Minister not agree that it is totally unrealistic to think that Canada can have a "Made in Canada" interest policy when we have those colossal borrowings which must take place outside the country? Is it possible, in any way, to think that we could have exchange controls in Canada when we're borrowing tens of billions of dollars outside the country?

HON V. SCHROEDER: I don't believe that exchange controls are impossible. I've said that we can't have an interest rate policy that is completely independent of what is happening outside the country. I think that we have to recognize that we are a part of an interdependent system out there, so what happens out there will surely influence what happens in Canada. But I do believe that we can be more independent and creative than we have been until this point.

MR. CHAIRMAN: I wonder if we could have a little order. We're having a little difficulty hearing with all the conversations that are going on.

The Member for Turtle Mountain.

MR. B. RANSOM: Thank you, Mr. Chairman, I appreciate your intervention and especially when we're trying to deal with issues that are of such significance as those that we were talking about this morning.

Mr. Chairman, I just would like an assurance from the Minister, in that should the House not be sitting when he returns, and the First Minister returns from Ottawa, that they would undertake to distribute to the members of the House any material which is presented to the conference in Ottawa so that we'll be aware of the position that the government has taken.

I have a specific question before I turn the questioning over to some of my colleagues, Mr. Chairman. In the Budget document which the Minister tabled the night of his Budget presentation, there was a table, Table 1, in Appendix (c) in the Budget which, Mr. Chairman, I have to say was a misleading table. I think, if the Minister looks at it carefully, he will see that. The table is headed "Illustrations of the Effect of Manitoba's Personal Income Tax Surtax." Then it proceeds to show, Mr. Chairman, how various tax filers actually get more money as a consequence of the surtax being put in place. Now, I find it very difficult. Mr. Chairman, let me just pass the Budget over to the Minister here if he doesn't have a copy, and he can look at this table. The table leaves the impression that people are actually getting more money as a consequence of the government imposing a surtax on income. Now, I believe what actually is taking place, Mr. Chairman, is because there were changes as a consequence of the Federal Budget of November 12th which would reduce the income taxes paid by certain groups of people, that in fact the tax filers would be paying less tax

because of that. The Provincial Government moved in, in some cases, to take up some of the slack. Now the question is, Mr. Chairman, aside from the nature of that table, what effect is the move by the Federal Government to partial de-indexation going to have upon tax filers in Manitoba? How badly are the people who are going to be paying the surtax going to be hit now in Manitoba, because we've got both the surtax and the partial de-indexation brought in last night by Mr. MacEachen?

HON. V. SCHROEDER: I would say, first of all, that I agree with the Member for Turtle Mountain that, although the table is correct, the labelling of the table as "Illustrations of the Effect of Manitoba's Personal Income Tax Surtax" is misleading in that it appears to indicate that for most tax filers the surtax will give them a benefit. It will do no such thing. What the heading should have said was "Illustrations of the Effect of Indexation and the Surtax on Manitoba Tax filers." That's No. 1.

No. 2, - with respect to the partial de-indexation of income taxes my understanding is that begins in the next tax year, for 1983. There's three months of this, the '82-83 tax year that would be affected but I understand there's what, a two-month delay? It had been explained to me in such a way that if there were any benefits in terms of revenues to the province that we would receive about one month's revenues out of it for '82-83. The revenue, the calculations for all of Canada are that there would be an additional \$160 million to the Federal Government for '82-83, and \$1.14 billion for '83-84 in a full year. The \$160 million - I would presume that would indicate that there would be somewhere in the area of \$5 million to \$8 million in additional payments for Manitoba. That table would be changed somewhat then because the indexing numbers will have changed. All of those minus numbers will be less and the plus numbers on that table will be more. I don't have the specific percentage increase that we would be looking at for those tax filers who are subject to the surcharge, though.

MR. B. RANSOM: Mr. Chairman, would the Minister undertake to provide me subsequently with information concerning the impact that partial de-indexation will have upon provincial revenues, as well as perhaps recalculate that table to show what the impact of de-indexation will be on income taxes paid, especially when combined with the surtax?

HON. V. SCHROEDER: Yes, Mr. Chairman. We will prepare that and have it sent to the member.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNES: Thank you, Mr. Chairman. I'd like to ask the Minister one question dealing with individual income tax. I think he made the assertion that in fact he would expect that particular area of revenue to remain, at least hopefully, at the level predicted. I'm wondering if in fact he's pretty confident in that statement bearing in mind that a large proportion, and I can't quantify that amount, but I would feel a large proportion of individual income tax is still made up of business people, farmers, people that are unincorporated

and other business concerns who also are, no doubt, suffering through these times. Again, I would like to share his confidence in the fact that the number will be able to hold. I am again wondering if he's taking that into consideration.

HON. V. SCHROEDER: No. In fact, I hadn't really thought about it very much. I was looking more in terms of the employment figures. I had indicated previously that there are about 460,000 people working; there are another 40,000 or so who are in the work force who have not got employment in the province. That number of 460,000 is fairly close to the number that was employed at the same time last year.

I would say, though, that when you get to unincorporated businesses and farmers in the province - and I don't have any statistical background on that - but certainly in terms of farmers, it's my belief and I could be wrong, but it's my belief that there is not a great deal of income tax revenue that is generated. Certainly the unincorporated business person may well be in a somewhat different position in some years.

MR. C. MANNES: I don't know if the Minister is trying to say that farmers don't pay taxes, or what; we'll let that one lie at this time.

I'd like to pursue some of the line of questioning that in fact my colleague did from Turtle Mountain. Suppose - and I'm not trying to get into a long-winded debate in any sense - but I suppose there is little concern and listening to the First Minister this morning, I caught part of the press conference on the radio coming in, where he seemed to make no reference whatsoever to the massive deficit that was announced last night and, of course, if you put it into perspective through the United States - it seemed like many people wanted to do here just a couple of months ago - when you look at 20 billion deficit versus 78 billion expenditure in this country, and in the United States I believe it's 100 billion plus deficit for 800 billion spending. Then I don't hear any real mention, first of all, again by our First Minister in the press conference today and again in the question period today, and realizing full well that this isn't Ottawa's debt - I mean it's all of our debt - I'm wondering if one of the considerations that you will be taking, or this government will be taking, to this conference tomorrow is a consideration or a request of the Federal Government that in fact they consider reducing their spending for the 1982 year, what's left of it. Is that one of the alternatives that you will take with you?

MR. DEPUTY CHAIRMAN, J. Storie: The Honourable Minister.

HON. V. SCHROEDER: Well, Mr. Chairman, as I indicated earlier, it's my view that they are already doing that, in that the Budget they announced last night puts them in a position where they are collecting, over the two-year period, an additional \$3 billion in taxes and spending only 2.3 billion more at a time when they're pretending that what they have is a stimulative budget. The numbers, the \$20 billion, are not numbers that should surprise members; that is, those are numbers that certainly have been out there in the press for some time, maybe not the exact number. Although I

was told last night that some financial analysts were predicting that was where we were heading without any change in the Budget. Certainly, 17 million to 19 million had frequently been seen in the Globe and Mail and other papers. So it didn't come as any kind of a surprise.

Now, in terms of cutting expenses, I suppose that depends on which expenses. I think that some debts are different from others and sometimes it's more important to spend than at other times. I believe that here in Manitoba, for instance, although we have a significant per capita debt as compared to some other provinces, we have also been able to obtain significant capital assets in return. I believe not one of the 57 members in this house would even consider trading one of our assets - Hydro - for the whole debt; guaranteed, direct, indirect, etc., of the province. Just that one asset of ours is worth far more than our total debt.

Now I don't know the exact federal structure in terms of how well they have invested their money over the years. It may well be that a lot of it was for roses, rather than bread. But it would seem to me that I would be very uneasy about going to Ottawa and saying, cut your spending, when I have already seen them maybe nail us for a portion of \$45 million on that Native Economic Development Fund somehow. I just don't understand their priorities, quite frankly, when it comes to that issue.

Members opposite know full well - and I needn't tell them about the various activities that are happening in Northern Manitoba as a result of those agreements that were carried on by them in their term in government before that and now in our term - when those items are in danger, in order that we can provide some of the floss that they're talking about in terms of, say, not taxing that portion of interest income which is inflation, for instance.

If you take the money out of the North in order that you can create that tax expenditure here in the south, I think there's something wrong with our priorities. I would be leery about going to Ottawa and saying, cut your spending, because I'm not sure where their next cut would come. I don't see cuts here on their proposed spending that would affect other parts of the country in the same way that they're going to affect the West. The one area where one would have hoped, as a Manitoban, to see some cuts is on the price of energy and there they were silent, because I presume if they would have not gone ahead with those energy price increases, they along with the oil companies in Alberta and Saskatchewan would have suffered a decrease in their expected revenue. That failure by them will cost us.

MR. C. MANNES: Well, I understand what the Minister is saying and of course any spending, we wouldn't want it to impact negatively on Manitoba. I guess the only comment I have in this area is maybe we should jump the gun and if we can see where a cut of government spending in Ottawa is going to be one of the alternatives, maybe we should be attempting to point out to them where they best cut, so maybe it will impact the least upon us.

As far as the comment you made about Hydro, of course we all support that in theory; although one can be asset rich and depending on your payoff schedule

and if you can't meet those payments, it's not worth much. As I have said before, 1990 is our years of crunch and hopefully we'll be in position in those years to meet those expenditures.

I would like to pursue again —(Interjection)— Mr. Chairman, could you gain some composure in this House, please?

MR. CHAIRMAN: I would ask honourable members to give the honourable member the respect of listening to the question.

MR. C. MANNES: Thank you. I would like again to ask a question about interest rates, because it seems to me that the Minister and the members opposite really feel that if interest rates drop, that this will be the answer to all of our prayers. Someone made the comment last night and it's really struck me and I would like to relate it to you. Maybe you could give us your impression on it; but someone made the comment that during the Depression - and I hate to use that word, but I forget what the definition of a depression is; I think it's a series of negative growth, and we've had three of them. I don't know how many you have consecutively before you have that definition - but that in fact during the Depression the interest rate of course was 1 percent —(Interjection)— That's right, there was 1 percent. So, in effect, there was no —(Interjection)— Maybe the Member for Thompson will let me complete my thesis and if he wants to join in after, he's welcome to do so. The comment made was that in fact 1 percent interest rates were no guarantee whatsoever because 3 percent or 4 percent below that, because you had deflation, where was your rate of inflation in a negative sense?

So I am wondering and I ask the question, in light of that experience which we were told to forget, something that could never reoccur again, whether in fact this government and people that really believe that interest rates in themselves are the solution, whether they really believe that an automatic drop in those rates will in fact be our salvation?

HON. V. SCHROEDER: Mr. Chairman, put in those terms, I have no doubt that if we were back at 11 percent interest rates, that we would be back having this country moving ahead very strongly again. We would still have problems; we would still have the problem with our mining sector, which it's not interest rates there. It's not inflation there that is causing the problem; it's not wages there that is causing the problem. The problem there is that there is no international market right now and where we are dealing on the international market, we would still have problems. We would still have problems in the lumber industry; we would still have problems in those areas where we are exporting certain commodities; but certainly we would be moving along in terms of consumer spending. There is a lot of money that's sitting in the back there waiting to be spent once people feel they would be better off spending it than receiving the interest that they're receiving.

MR. C. MANNES: Thank you, Mr. Chairman. I would like to ask one more question of a general nature, almost a hypothetical nature. Then I'll move on to

specifically the Estimates of Detailed Revenue. If we realize it - in fact, our revenues are going to fall significantly short of what we have here - can you see our government being prepared to face and make hard decisions and reduce spending?

HON. V. SCHROEDER: Yes, Mr. Chairman. There is no doubt that we are currently reviewing the situation in the province and if there are any areas that can be cut without doing more damage to the economy than not cutting them, then certainly we're looking at them. If the member has any suggestions for areas to eliminate, maybe he could give us a list of his priorities. We all have our own priorities.

In times such as these, I don't think though that the solution is to go back to a balanced Budget. I know he didn't say that; he didn't say a balanced Budget; but it's pretty difficult, while everybody else is pulling out, to have government move out too. It just adds to the impetus toward going downhill.

MR. C. MANNESS: Of course, some people say that's part of our problem, because government represents 45 percent of the activity and they are the ones in fact that haven't been pulling back, but have been continuing to spend, that we're in the situation we are.

I would like to ask a question specific then to the retail sales tax estimated revenue of some \$292 million. Obviously, this is something that we can track more closely. What is the present state of sales within the province, and do we feel confident in still using that figure at this particular time?

HON. V. SCHROEDER: Yes, Mr. Chairman, to the end of the last month, that is, to the end of May, we are on target. There is no indication that we're going below, so that appears to be a positive sign. Just one other comment, in terms of government, it is true that government in one form or another is spending about what the member is quoting - 45 percent of the national income. I don't know whether that's exactly the correct number, but let's assume that's correct.

There are also many other areas where the government is involved and how often it will be called on in the next little while, I don't know. I was recently at a conference where a federal representative informed us that the Federal Government has in the vicinity of \$300 billion in loan guarantees and contingent liabilities out there in support of our economy.

Now, some of them, I don't think there is any doubt, will never be called in. That is, the CMHC insurance on housing mortgages, at least a lot of them, even if they are called in, there will be at least some value in them; so it's certainly not a total loss but there are others. You know, just the other day, there was another \$100 million to Dome; I believe there is something to Massey. There are so many corporations out there that have these liabilities to government and, of course, we have some of them as well hanging out there. We have CCIL that I can think of just offhand, and there are loans to the credit union movement. There are other contingent liabilities for the government of the province, not in the kind of magnitude that the Federal Government has, but they're pretty huge and make spending planning very very difficult because you don't know when somebody's going to come in with

some bad news. When they come, they'll probably come at a time when you don't have any money, and it's a problem.

MR. DEPUTY CHAIRMAN: The Member for Morris.

MR. C. MANNESS: Possibly the Minister - maybe we asked him this sometime in the last couple of weeks and maybe he has furnished the answer already - but what is the total of loan guarantees offered by this province? It was a question I think we meant to ask and maybe we have, and if he has it at his fingertips, maybe he can give it to us?

While we're waiting for that answer, I'll pose another question. If I could ask the Minister to move to page 2, under the Attorney-General's heading, (d) Fines and Costs, I see there is a decrease in the revenue expected in that area, and I'm just a slight bit curious as to the reason for that. Is our society behaving more so these days, or what would be the reason for that?

HON. V. SCHROEDER: Yes, I suppose we have more New Democrats and I believe it has something to do with the Fine Option Program. There is a \$200,000 decrease from last year, and I would presume that has something to do — (Interjection) — there's \$170,000 - no, it's not the Fine Option Program. In fact, what it is, is that this Estimate will more accurately reflect actual revenues received in 1981-82; that is, the Estimate for last year was high.

MR. C. MANNESS: Well, it's not that important so I won't take time to digest it.

One final question and it's to do with an entry on page 6 under the Government of Canada. I guess the same questions can apply to (c) under Acquisition/-Construction of Physical Assets, Natural Resources, or under Continuing Programs, Item (m) Natural Resources. Either the 1.8 million or the 1.7 million and my concern is that, in fact, the way I interpret them are Agro-Man projects, and there are monies that have come from the Federal Government directed to specific projects. I'm wondering if the Minister can tell me what happens to that money. First of all, does it come here automatically, being directed to specific funds or specific projects which may or may not be cancelled by the Provincial Government and if they are, what then happens to that fund, or does it only arrive here after the Federal Government is convinced that in fact the original agreement under which they directed the funds to this province has been kept?

HON. V. SCHROEDER: Mr. Chairman, normally, payments are made by the Federal Government after completion of a project, so that we spend our money and theirs and then recover from them, although occasionally they do send an advance.

MR. C. MANNESS: Is it an advance by project or does it cover a whole wide dearth of projects?

HON. V. SCHROEDER: Yes, the advance would be on projects as opposed to just a general advance.

MR. DEPUTY CHAIRMAN: Any further questions?
The Honourable Member for Fort Garry.

MR. L. SHERMAN: Thank you, Mr. Chairman, I'd appreciate the opportunity to just discuss one or two crucial points with the Minister of Finance at this juncture relative to the whole subject of anticipated revenues and, in particular, the whole subject of the fiscal and economic crisis that the province faces and that the country faces.

Mr. Chairman, it seems to me that the news that we got from the Federal Minister of Finance last night is the fiscal equivalent of war. It's the fiscal equivalent of an invasion or an attack by an enemy and I feel - and I'm sure a great many Canadians feel that it is absolutely urgent that there be some kind of call to fiscal arms addressed to the people of Canada, and that of course includes the people of Manitoba, in order to engage this enemy and overcome it before it overcomes us. Central to that, in my view, it is an urgent requirement for a challenge or an education process and also an urgent requirement for reductions in Federal Government spending. I am a little dismayed by the apparent admission of our Minister of Finance that there is no will or inclination on the part of the Government of Manitoba at the present time to urge the Federal Government to reduce federal spending.

I can understand the discomfiture of any Provincial Government with that position from at least one perspective. The primary perspective that encourages a lack of enthusiasm for that position where provinces are concerned is the fact that so much of the provincial financial operation is dependent upon federal infusions of capital and federal participation, so that there's always the very grave danger that any reduction in Federal Government spending of any magnitude will have a serious impact on a province's economy. In fact, that's a reality of life and I can appreciate the Minister's concern over that; but I think nonetheless that there has to be a charge delivered to the National Government, the Federal Government, to reduce Federal Government spending if we're going to survive this thing. I think that there are areas in which the government could reduce its spending, perhaps not on the magnitude that is necessary for the moment, but the psychology of prudent fiscal management has a way of growing and developing and even a modest start could lead to some better management practices in the next crucial three to five years.

When our Minister of Finance says that there really aren't any obvious areas in which he'd be prepared to suggest to the Federal Government that it reduce spending, I ask him: what about advertising? What about the whole area of Federal Government advertising and promotion and self-adulation for its own positions and programs? I ask him, what about programs like metrification, forgetting the philosophical argument as to whether one is on the side of metrification or opposed to metrification.

HON. V. SCHROEDER: Mr. Chairman, I just thought I would mention to the member - I recognize that he doesn't have the background papers. He may not be aware of it, but the Federal Government is, in fact, reducing advertising expenditures; in its background papers, it's indicating a \$30-million cut if there are cuts that I haven't referred to. Now, I don't know what their total advertising package is, but the member is

certainly right; that's an area where they could be cutting.

MR. L. SHERMAN: Thank you, Mr. Chairman. I am aware of that, but there are additional pressures that have to be exerted and I think leadership must come from the provinces to impress these points upon the Federal Government. Programs like metrification, for example, regardless of whether one is philosophically for it or against it, this is not the time to be pressing ahead with expensive social changes, expensive social experiments, or economic experiments. What about foreign aid? I don't think there is anybody in this House who, given a reasonably healthy economy, would dispute the value, the merit and the efficacy of as big a participation by Canada in terms of foreign aid as would be reasonable, but these are not times of healthy economy. If we're our brother's keeper, we're also our brother's keeper at home and, first and foremost, the keeper of our brother or our sister at home. It's home that's in trouble. I think frankly, that faced with the battle which we faced, an argument could be made for very serious evaluation for the time being of the Canadian Foreign Aid Program, always carrying the clear understanding that once we restore some sense of fiscal sanity and balance to our own affairs, that we will restore whatever reductions in foreign aid commitments were necessary at this point in time.

These are the kinds of things that I think have to be urged on the Federal Government. What about the buying back of the Canadian economy? A laudable goal downstream, but something into which we were rushed without sensible forethought; without consideration for the devastating economic impact that it's had upon us. Even allowing for the fact that some concessions and some considerations in that area were contained in Mr. MacEachen's statement last night, there still does not seem to me to be a clear recognition of the difference between philosophical or ideological approaches and economic necessities. The whole thrust to buy back the Canadian economy is essentially a philosophical and ideological one, which does not take into account economic difficulties. That's a very large part of the problem that we're facing at the present time. The desperate rush to buy back the Canadian economy overnight in effect contributed in very great measure to the difficulties that we are in today.

So, when Mr. MacEachen acknowledges as he did in his statement last night, that there is going to be perhaps some easing up of that thrust and that initiative, I would like the Provincial Government of Manitoba and the other provinces to say show us on paper; what do you mean? How are we going to reduce and modify this thrust and pressure? We want tangible evidence that the first and top priority is to restore the health and vigour of the economic circumstances of Canadians and then we can sit down and look about a long-range plan over 20 or 30 or even 50 years to buy back the Canadian economy. But let's stop trying to do it overnight and bankrupting our people in the process.

So, I would like to have some assurance from the Minister that he and his colleagues will be going into that meeting with that kind of a sense of urgency and directing it or articulating it with all the vigour that

they can command to the Federal Minister of Finance and the Prime Minister.

If the Government of Canada is going to continue to spend money on advertising, shouldn't it be spent on advertising that's designed to tell the Canadian people the truth about the financial crisis that we're in, and we really haven't been told that truth. Shouldn't that advertising be designed, hopefully to inspire Canadians to tackle this thing the same way that we would tackle a war? That hasn't been done yet. There seems to be some assumption that Canadians will not respond and tighten their belts and buckle down and meet this challenge. In fact, some of the comments on hot-line shows this morning indicated that Canadians are not going to stand still for wage controls or limitations based at the 6 percent level or the 5 percent level. If they're not going to take it, why should they be asked to do it? I think that is a very destructive approach or attitude for any commentator to take. I think commentators should be saying to all of us, to our fellow Canadians, we've got to do it. It has to be done because we are repelling an invasion, a fiscal invasion, that's in danger of destroying the country.

So I say that any Federal Government advertising that's done in the next few months from here on in, in the next year or two, should be directed to inspiring Canadians to the absolute necessity of doing that, of pulling together and of fighting that battle. Why do we just admit defeat before we start? Why is there some assumption that Canadians won't do it? Has anybody evertested the will of Canadians, the determination of Canadians to fight and win a war like this?

Mr. Chairman, I just wanted to offer those few thoughts to the Minister of Finance preparatory to the very important conference into which he and his colleagues are headed and to assure him that it's my opinion that if called upon to fight this battle, Canadians will fight it. For the Federal Government to start from the premise that they won't fight it and therefore to refuse to tell them the blackest part of the news, and the blackest part of the news is that the country is in danger, is admitting defeat before you ever even start.

I think if some leadership is shown from the provincial end perhaps we can galvanize a rudderless Federal Government that has been adrift and has had this country adrift for a decade into at least determining some kind of sensible course and summoning up sufficient character and spirit to pursue that course. The leadership is going to have to come from here and I urge my friend, the Minister of Finance, to be in the forefront of that.

HON. V. SCHROEDER: I think the member makes some valid points with respect to areas where the Federal Government can get more involved in terms of reducing expenses. The one area of advertising, as I said before, I don't know what that \$30-million decrease will do in terms of the total advertising package they had in place in the first place. It may well be that there could be quite a bit more of a cutback that's available.

There is already in the background papers a \$175-million decrease in foreign aid. I have some difficulty with that. I think that program and the Native Economic Development Program especially, are areas that, I believe, in addition to Canadians wanting to win

the war on inflation, Canadians are in general not prepared to cut back in those areas.

I'm concerned about some people suggesting that now is the time we eliminate our program to buy back Canada, the FIRA Program, the Energy Program. I think that if we scrapped FIRA as some have suggested, what we would be doing is leaving ourselves open to have cash-rich corporations, if there are any in the Western World, raiding some of our more successful companies whose stock prices are now at very depressed levels. We will pay for that in the long run; I would be concerned about that. I agree that in the short term it would be probably beneficial, but I think in the long run it would be destructive to us so that I would have some concern in that area.

The member noted that when we urged the Federal Government to reduce spending that frequently the Federal Government then does it on the backs of the provinces. That's exactly what they had done this year in saving billions of dollars in transfer payments that they would otherwise have paid to the provinces. They've turned around and found other programs to spend the money on. They certainly didn't then turn around and decrease spending; in fact, in some areas there appear to be duplications of services building up that we are looking at.

We've had some new offices opening up in this city in the last six months, the Department of Supply and Services providing some services that may well duplicate provincial services and we're looking at that. If we feel that that service is one that is doing the job that we were originally doing, we're not afraid to move out of the field and let people know that there is now a new employer in that field. So we agree that any kind of wasteful spending should be cut. The member has made some specific suggestions that are valid in terms of where to look for it and any further suggestions would be helpful.

QUESTION put, MOTION carried.

SUPPLY - CAPITAL SUPPLY

BILL NO. 44 - THE LOAN ACT, 1982(2)

MR. DEPUTY CHAIRMAN: Continuing with Capital Supply, BE IT RESOLVED that towards making good certain sums of money for Capital purposes, the sum of \$304,431,000 be granted out of the Consolidated Fund.

MOTION presented and carried.

SUPPLY - SUPPLEMENTARY SUPPLY

BILL NO. 49 - THE SUPPLEMENTARY APPROPRIATION ACT, 1982

MR. DEPUTY CHAIRMAN: Continuing with Supplementary Supply, BE IT RESOLVED that towards making good certain further sums of money granted to Her Majesty for the public service of the province for the fiscal year ending the 31st day of March, 1983, the sum of \$46,042,700 be granted out of the Consolidated Fund. Is it the will of the committee to adopt the motion?

The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Chairman, I don't intend to delay the work of the Committee on this subject, but I want to register the vigorous objection once again to the Supplementary appropriation requested for Work Activity Projects under the Community Services and Corrections Department. We don't believe that \$910,400 request is either justified or justifiable in the wake of some of the unhappiness and dismay that we have had and expressed with the Minister's handling of the Work Activity Projects spectrum. So I wish to record that at this point, Mr. Chairman, as we proceed through the final stage of this appropriation.

MOTION presented and carried.

BILL NO. 59 - THE SUPPLEMENTARY APPROPRIATION ACT, 1982(2)

MR. DEPUTY CHAIRMAN: Continuing with Supplementary Estimates, No. 2:

BE IT RESOLVED that towards making good further sums of money granted to Her Majesty for the public service of the province for the fiscal year ending the 31st day of March, 1983, the sum of \$9 million be granted out of the Consolidated Fund. Is it the will of the committee to adopt the motion?

MOTION presented and carried.

MR. CHAIRMAN: That concludes the business of the Committee of Ways and Means. I am leaving the Chair to return to the call of the House.

Call in the Speaker.

The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. J. STORIE: Mr. Speaker, I move, seconded by the Honourable Member for Wolseley, that the report of the Committee be received.

MOTION presented and carried.

INTRODUCTION OF BILLS

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER introduced Bills No. 44, The Loan Act, 1982(2); Bill No. 48, The Appropriation Act, 1982; Bill No. 49, The Supplementary Appropriation Act, 1982; Bill No. 59, The Supplementary Appropriation Act, 1982(2).

SECOND READING - GOVERNMENT BILLS

BILL NO. 44 - THE LOAN ACT, 1982(2)

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER presented Bill No. 44, The Loan Act, 1982(2), for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, I move, seconded by the Member for Fort Garry, that debate be adjourned.

MOTION presented and carried.

BILL NO. 48 - THE APPROPRIATION ACT, 1982

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER presented Bill No. 48, The Appropriation Act, 1982, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Member for Arthur.

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

MOTION presented and carried.

BILL NO. 49 - THE SUPPLEMENTARY APPROPRIATION ACT, 1982

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER presented Bill No. 49, The Supplementary Appropriation Act, 1982, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Member for Fort Garry.

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

MOTION presented and carried.

BILL NO. 59 - THE SUPPLEMENTARY APPROPRIATION ACT, 1982(2)

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER presented Bill No. 59, The Supplementary Appropriation Act, 1982(2), for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. G. FILMON: Mr. Speaker, I move, seconded by

the Honourable Member for Virden, that debate be adjourned on the bill.

MOTION presented and carried.

MR. SPEAKER: The Honourable Attorney-General.

BUSINESS OF THE HOUSE

HON. R. PENNER: Mr. Speaker, by leave, I move, seconded by the Minister of Finance that Rule 115(1) of the Rules, Orders and Forms of Proceedings be suspended with respect to notice of the Committee on Private Bills and that the Committee on Private Bills meet today at 3:15 p.m. in Room 255; and further, that the Speed-Up Resolution be suspended with respect to the time required between the report of the Standing Committee and the consideration of bills reported and that this House consider the bills reported from the Standing Committee on Law Amendments, Municipal Affairs, and Private Bills at the 8:00 p.m. sitting today.

MOTION presented and carried.

MR. SPEAKER: The time being 12:30, the House is adjourned and will stand adjourned until 2:00 p.m. this afternoon.