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| **Province** | **Législature/Legislature** | **Session** | **Type de discours/ Type of speech** | **Date du discours/ Date** | **Locuteur/Speaker** | **Fonction du locuteur/ Function**  | **Parti politique/ Political party** |
| Nouvelle-Écosse / Nova-Scotia | 52 | 3 | Discours du Budget/ Budget Speech  | 10-04-1981 | Joel Matheson | Minister of Finance  | PC |

**Nova Scotia: Budget speech, April 10, 1981.**

HON. JOEL MATHESON: Mr. Speaker, pursuant to notice given on April 3rd, 1981, I have the honour Mr. Speaker, by command, to announce a message from His Honour the Lieutenant Governor of the Provi'nce of Nova Scotia, which is:

"The Lieutenant Governor of the Province of Nova Scotia transmits Estimates of sums required for the Public Service of the province, for the year ending March 31 st, 1982, and in accordance with the provisions of the British North America Act, of 1867, he commends them to the House of Assembly". It is signed, J .E. Shaffner, Lieutenant Governor. Mr. Speaker, at this time I am not going to move that the House resolve itself into a Committee to consider the Supply to be granted to Her Majesty, but I do move that the message from His Honour, the Lieutenant Governor of the Province of Nova Scotia, relating to the Estimates of the sums required for the Supply, be referred to the Committee of the Whole House on Supply and propose, in accordance with the custom of this House to table the Estimates and copies of the resolutions and to make certain remarks concerning the Estimates.

Mr. Speaker, there is some concern about the passing of the books, we have arranged to have books delivered to the finance critics and the Leader of the Opposition. They should be coming in, they were being delivered to them as soon as I commenced the routine. You have one. . . a copy of the Budget Address and the Estimates, yes. They have them there. Those are the Estimates? Right.

Mr. Speaker, I am pleased to present to this House and to the people of Nova Scotia, the financial plan of the government of this province for the challenging year before us. The budgetary framework which I will describe to the House today is a forthright and vigorous commitment by the government of this province to the needs, aspirations and potential of the people of Nova Scotia.

It will ensure that the human, natural and fiscal resources of this province are managed and developed in a way that makes certain that all of its people, both now and in the future, will have the opportunity to enjoy a better quality, more self-reliant way of life than we have known in the past.

Mr. Speaker, the government recommended to this House, through its Speech from the Throne, the actions it felt were necessary to achieve this ultimate goal. It emphasized: job stability and employment creation; manpower training; programs for people and communities; and management of energy and mineral resources. This Budget gives financial effect to these prescribed actions.

It is designed to promote job stability and employment creation through investment in people and resources. This Budget statement and the Speech from the Throne present the ambitions of the people of Nova Scotia, ambitions which assuredly would engage the full support of all Canadians.

I regret, however, that unlike our fellow Canadians, the current national government's fiscal policy does not seem to support us in our endeavours. Over the past year, the government in Ottawa has methodically sought ways to shift its large annual deficits onto the backs of provincial governments, regardless of the inability of some provinces to shoulder this added burden. The constraints facing all governments in their ability to absorb the relinquishment of federal responsibilities are evidenced by the recent Budgets of several provinces.

All provincial Budgets tabled to date this year, including those of more prosperous provinces, have had to resort to deficit financing or significant tax increases to maintain service levels. In spite of these constraints, the federal government insists on camouflaging the economic problems facing Canada today through the prolonged and disuniting constitutional debate, while at the same time, introducing specific measures for transferring its huge deficit onto already strained provincial Treasuries.

The federal government walked away from municipalities and communities across Canada, taking with it some $250 million under the Community Services Program, and it clearly stated in its October Budget, its hope to save the federal Treasury substantial sums of money through cuts in transfers to provinces for essential health, welfare and education programs. This confirms, Mr. Speaker, what only four years ago the government in Ottawa denied was their ultimate goal in abandoning cost-sharing arrangements for the "block funding" concept.

Now we see the federal government achieving cost savings at the expense of services which are a basic right of all Canadians in this nation and yet continue to collect the same level of taxation from provinces such as Nova Scotia. It is clear from such federal policy statements that provinces are likely to continue to bear the adverse impact of such fiscal mismanagement emanating from Ottawa.

Although the province has had some recent success in securing federal assistance in some areas, this government continues to be concerned over lengthy delays that have been experienced with respect to certain cost-shared provincial program proposals, which would provide meaningful employment to many Nova Scotians.

Mr. Speaker, we do not need indecision and delays at a time when decisive and direct action is required. We need a unified approach to the attainment of our goals, not divisive confrontation. Offshore gas and oil is part of the birthright and heritage of this province and yet the federal government is putting stumbling blocks in our way by not acknowledge that these resources must be managed by the province and not a centralist federal government. (Applause)

Mr. Speaker, I would now to briefly describe the performance of the Nova Scotia economy over the past year and provide some insight into the year before us. Economic activity in Nova Scotia throughout 1980 was rewarding, Mr. Speaker, in that critical initiatives taken by this government through its Budget last year resulted in a growth rate of 11.5 per cent for the provincial economy, exceeding the inflation rate by approximately one per cent. Our economic growth surpassed the national average. As the Conference Board of Canada confirmed this February, that whereas the other Atlantic Provinces suffered real output losses, the economy of Nova Scotia managed to come out of 1980 relatively unscathed, ranking high in Canadian economic output. Yet, Mr. Speaker, this government does not intend to be satisfied with the province's relatively good economic performance of last year. It is our contention that we must further accelerate the rate of growth of investment activity, which is vital to the long-run development of our economy.

National high rates of inflation and interest costs, together with projected high levels of unemployment, are expected to undercut any strength in economic recovery across Canada throughout 1981. Hence, the need for a comprehensive provincial investment plan directed towards the development of the natural and human resource potential in our province, if this direction is recognized by this government and is given the highest priority in this Budget.

Despite the presence of double-digit inflation, income gains to Nova Scotians during 1980 allowed them to substantially keep pace with rising costs. The impact of high rates of inflation on the incomes of people in Nova Scotia and elsewhere across Canada, continues to represent to this government, a matter of national urgency, requiring immediate corrective action by the Government of Canada. The federal government appears, however, to have chosen to ignore this dilemma, through the seemingly low priority accorded this problem in their October Budget.

However, we believe the level of income for Nova Scotians is of high priority. Through the efforts of this government in improving the economic well-being of the people of this province, it is projected that the outlook for 1981 is even more promising than in 1980 and we expect the growth in incomes of Nova Scotians in 1981 to exceed the rate of inflation. This government's efforts to provide employment stability and to stimulate job creation in Nova Scotia reaped rewards for Nova Scotians in the past year. New employment growth outpaced the growth in the province's labour force and the growth of employment in Canada generally.

This effort caused the seasonally adjusted unemployment rate in Nova Scotia to drop by almost one half of one per cent to an average of 9.8 per cent for the year. This represents a reduction from the unemployment rates of 10.6 per cent experienced in 1977, and 1978, prior to our taking office. A further decline in the unemployment rate is anticipated for 1981.

Mr. Speaker, in February of this year 317,000 Nova Scotians had gainful employment in this province. Compared to the same month in 1978, when 284,000 were employed, it becomes very clear that this government has achieved success in its efforts to create an economic environment which generated 33,000 new jobs noW held by the people of this province. This represents more new jobs than there were unemployed when we took office in October, 1978. (Applause)

I will later in my address announce new employment initiatives for the current year, confirming once again this government's continuing commitment to provide jobs for the young Nova Scotians just entering the labour force and those who wish to return to their native province.

Mr. Speaker, the resource sectors of Nova Scotia demonstrated commendable strength during the past year. Farm income in the province surpassed national average growth in 1980 with gains of 16 per cent for the year. The value of fish landings also showed strength by increasing 11.7 per cent over 1979. The mining sector in Nova Scotia performed exceptionally well throughout the year, largely as a result of several initiatives taken by this government as part of its energy plan for the province.

Coal production recorded significant growth over the year, reaching a total of 2.7 million tonnes by December. Mineral exploration activity in the province was also strong over the past year. At the end of December, 2,383 exploration licenses were in effect, with the area under exploration in Nova Scotia increasing by approximately 57 per cent over the previous year. The outlook for the mining sector for 1981 remains optimistic, again with coal production and exploration programs providing the impetus required.

Gypsum production continued to be hindered by weak export markets in the United States during 1980. The dramatic decline in residential construction in Canada during 1980, attributable to the high rates of interest, largely contributed to a decrease in lumber production in Nova Scotia of over 12 per cent. Recovery in both gypsum and lumber production in the current year is predicated on the anticipated improvement in housing construction.

The manufacturing sector of Nova Scotia, while largely an export function and therefore being extremely sensitive to economic conditions in Canada and the United States, managed to achieve a shipment value of $3.5 billion during 1980. Strong performances were registered in the value of electrical products, the production of transportation equipment, as well as printing, publishing, paper and allied industries. Additional encouragement for this sector is provided through the expansion of Michelin Tire operations in the province during 1981. (Applause)

It is expected that this sector will manage to keep pace with inflation in the current year.

Retail trade in Nova Scotia in 1980 declined in real terms by 6 per cent, following a healthy performance in 1979. This decline was largely attributable to rising costs in food and fuel and high interest rate levels. The people of Nova Scotia, and Canadians generally, continue to be asked by the Government in Ottawa to endure the burden of national policies which bear no relation to either their personal best interests or those of the country. It is imperative that corrective action be taken by the federal government before the cleavages in our economy become so deep that recovery will become increasingly difficult to achieve.

The province's tourism industry remained stable in terms of real expenditure growth during the year. Additional air service to this region is expected to contribute towards an improved performance in the industry during 1981.

Mr. Speaker, the transportation industry in Nova Scotia was dealt a serious blow this year through the announcement by Dart Container Lines to transfer its traffic from Halifax to Montreal in 1981. While the movement of goods through the port was down for 1980, little or no improvement, particularly as a result of the Dart announcement, can now be contemplated for the current year, although the long-range outlook for the port remains positive.

While I earlier alluded to the drop recorded last year in residential construction activity in Nova Scotia, Canada and the United States generally, record high interest rates resulted in a disappointing year for capital investment and non-residential construction in the province as well. While capital investment spending in 1981 is likely to be supported by construction of the new Michelin plant in Waterville, the Lingan 3 and 4 power plants and the new Camp Hill Hospital complex in Halifax, as well as numerous other major government construction projects which will be outlined later in my address, private sector construction activity will continue to be largely determinable by interest rate levels. It is essential that the Government of Canada recognize the needs of the construction industry and return interest rates to the level required to encourage the private sector investment.

Mr. Speaker, as I turn to address the government's financial performance for 1980-81, I would first like to stress the relationship which exists between the revenue base and expenditures of the government, and the factors of economic activity which I have just described. More specifically, the ability of the government to raise revenues to finance the provisions of its services is dependent to a large degree on real personal income growth. It is dependent on interest rates, increased consumer demand for goods and services and active corporate activity in the province. All of these factors did not, however, show great strength across the country over the year.

Yet, Mr. Speaker, I am pleased to report that the forecast revenue of the government: for 1980-81, exclusive of prior years adjustments to our fiscal arrangements with Ottawa, rose by 11.1 per cent to $1,567,647,900.

Income from prior years adjustments of $33.1 million would have provided the government with an operating surplus of approximately $30 million over original budgeted expenses for 1980-81. However, governments, like individuals, Mr. Speaker, must too bear the burden of inflation and rising interest rates. No doubt, some members in this House would heartily recommend that we should have rested comfortably and taken great pride in a $30 million surplus, thereby ignoring the ravaging deterioration that inflation can inflict upon the quality and level of basic services provided by the government to its citizens.

Mr. Speaker, recognizing the acceleration of costs in all sectors of our economy due to inflation, the government therefore supplemented the bold and confident economic development initiatives characterizing last year's Budget, with an additional $25.8 million net expenditure to cover the rapid escalation in the cost of delivering high quality, accessible health care in the province.

We moved to protect family household budgets in Nova Scotia by providing the Nova Scotia Power Corporation with an additional $15 million. These funds enabled them to cover their rural electrification and increased fuel oil costs, thereby holding level the electrical rates for the people and industries of our province. (Applause) This brought our power rate assistance to a total $46.2 million for the year.

We spent another $1.4 million through the Department of Education, primarily to supplement funds budgeted to the province's Student Aid Program.

An additional $6.8 million was directed through the Department of Municipal Affairs for municipal operating grants to assist municipalities that also experienced increases in the cost of providing services to the public.

A further expenditure of approximately $16 million was also authorized through the Department of Transportation for the general expenses of maintaining the quality of the excellent road system we have in Nova Scotia and for the removal of the abnormal amount of snow which fell in the province this winter. Unprecedented high interest rates also required an additional expenditure of $5 million to fund the higher costs of the government's borrowing both domestically and abroad.

Mr. Speaker, in total the government directed an additional $63.7 million in net expenditures to the protection of the integrity of the services provided to the people of the province. Total net expenditures, therefore, rose to $1,634,707,800, an amount almost $34 million in excess of the revenues and prior years adjustments which I mentioned earlier.

I would like to stress, Mr. Speaker, that in presenting my Estimates last year, I resisted the easy route of raising taxes to finance any anticipated shortfall. It was considered that any tax increase at that time would be counter-productive to the developmental initiatives implemented in the Budget.

Mr. Speaker, had the Government of Nova Scotia decided to give a surplus a higher priority than the people it represents, we could have simply allowed power rates to increase and we would have ended the year with an operating surplus of $12 million.

The government continued its developmental thrust in 1980-81, Mr. Speaker, through expanding its capital budget, net of recoveries, by 39 per cent over the previous year, to a total of $170,452,700.

Mr. Speaker, as we begin to focus on the year ahead, it becomes clear that our national economic troubles are not yet over. The Governor of the Bank of Canada has given us little hope for any respite in the high level of interest rates likely to persist in Canada throughout 1981. Economic forecasters are also warning that the rate of inflation will once again exceed the federal projections, as it did in 1980. This makes it most difficult to determine, with precise accuracy, the economic impact of such an uncertain element on our budgets, whether we are talking about households, businesses, or governments.

There is no question, Mr. Speaker, that the responsibility for current inflationary pressures and unnecessarily high interest rates must rest squarely at the feet of the government in Ottawa. (Applause) This calls for even greater perseverance and financial control at the provincial level in the year ahead, Mr. Speaker.

The Government of Nova Scotia will resist, with all the means available to it, any degeneration by the federal government in the essential human services which are due and expected by the people of this province. We will not allow the absence of a federal resolve to deal with national economic emergencies, to be reflected in the health, welfare, and education programs of Nova Scotia. These services, provided by the Government of Nova Scotia, are essential to what the people of this province have a right to expect as the foundation of our social way of life. We have not and will not waver in this conviction.

This government has carefully determined its options and translated its priorities into direct and positive action in the financial plan which I will outline to you for the fiscal year to the end of March 31, 1982. Mr. Speaker, it will take time for the considerable developmental initiatives taken by this government last year to reflect themselves in the revenue base of the province. This government's efforts are directed to developing longterm, broad-based growth in the province's economy which will provide new and stable employment opportunities for Nova Scotians in areas of our own self-sustainable natural advantage.

The priorities of this Budget are reflective of the necessity to invest and build upon our human resource potential in the Province of Nova Scotia. The Budget attends to the needy, the elderly and the disabled in Nova Scotia. It supports the basic industries of our great province, the industries which have sustained for centuries the way of life of Nova Scotians.

Our task will not be easy. Once again the government's fiscal resources and financial obligations will bear the full weight of slow economic growth, accelerating inflation and high interest rates throughout 19& 1.

1 am confident, however, Mr. Speaker, that the measures taken by this government through its Budget for the year ahead of us will lend considerable assistance in meeting our priorities. It is a Budget which will bridge the gap between our current social needs and our future fiscal resources. It builds upon the strength of our initiatives taken over the past two years in developing our indigenous "on and offshore" resources, to help supply provincial, national and international requirements.

Before I describe in detail the fiscal plan and framework within which this Budget was struck, I would first like to give credit to all concerned, my colleagues and their departmental officials alike, who have worked long and hard to extend the improved planning and budgeting process to encompass all departments of the Government of Nova Scotia this year.

Government management has now at its disposal a tool whereby priorities can be accurately reflected in departmental expenditures. The efficiency and effectiveness of current government programs can also be tested and savings introduced where appropriate.

Perhaps one of the most significant by-products of this process, Mr. Speaker, is the interaction and much improved communication which has resulted between senior personnel in the administration of government in this province. This too will offer future benefit to the efficient operation of government. The government is currently in the process of fully computerizing its accounting functions. The Department of Finance, in conjunction with Management Board, will then be able to work together in the earlier identification of problem areas and to prescribe corrective action before problems become unmanageable.

The Department of Finance has also reorganized the Provincial Tax Commission, to meet the concerns expressed by the Auditor General in his Report tabled last year, along the lines recommended by a professional management consultant report. This Budget contains the funding required to add new staff at the senior management level.

Also in response to long-standing requirements of the Auditor General, this government is establishing an ongoing financial reporting committee within government, to review financial statement presentation, as well as accounting policies, and is allocating funds to expand its internal audit functions, to give broader effective control in its day to day operations.

In addition, we have taken considerable strides to modernize and streamline the classification of management skills in government. The new management classification system will provide the government with not only a better appreciation of the purpose and scope of each management position, but managers themselves will be afforded a much greater say in determining the compensation of employees, depending upon their performance on the job. The current program will become operative this year, at which time the government will then consider the benefits of involving other positions of government in a similar review.

The government has continued its internal reorganization over the past year, with the consolidation of a number of formerly separate bureaus, departments and agencies, into an umbrella Department of Government Services. Mr. Speaker, I believe it is highly significant that this government, in providing new and expanded services to Nova Scotians, has kept the working force of the Civil Service at a level below that recorded when we took office in 1978. This, I feel, is a notable achievement of good management.

In turning to the Estimates for 1981-82, Mr. Speaker, I present to you today a Budget which, for the second consecutive year, imposes no tax increases on the people of Nova Scotia. (Applause)

Personal income tax, corporate income tax, health services tax, gasoline tax and the broad range of all other tax fields open to the government, will remain unchanged for the 1981-82 fiscal year.

Mr. Speaker, this decision did not come easily. Government revenues are expected to grow to $1,704,580,200 in 1981-82. Current expenditures net of recoveries estimated to total $1,844,466,100. Sinking fund instalments and serial retirements in the amount of $37,931,500, as well as net capital expenditures of $244,992,100, will contribute to a total budgetary requirement of $422,809,500. This budgetary requirement is needed if this government is to provide present necessary services and invest in the future of Nova Scotia. This Budget is an investment in the energy resources, natural resources and the people of Nova Scotia, which will pay handsome dividends in the future.

This investment Budget expresses the confidence government has in our province and its people. It also expresses the optimism government has for the future of Nova Scotia. This optimism is manifested in this Budget by the fact that power rates will not be increased, and therefore help not only the home consumer, but small businessmen, industry and processors of all kinds. It will not only protect existing jobs, but will also assist in future commercial development and expansion of existing employment.

The Sydney Steel Corporation problem is now in hand and this Budget will assist in making that enterprise a viable one in the long-term industrial life of Nova Scotia. (Applause) This Budget is a clear indication that the government will be investing in energy projects throughout the province; investing in mineral development projects; investing in new and exciting manufacturing projects; and continuing our investment in the natural resource industries of fishing, agriculture and our great forests. All of these investments, as represented in this Budget, will mean assets - positive assets - for future generations of Nova Scotians, and be on the credit side of the provincial ledger.

This Budget is designed to help Nova Scotians look forward, not backward. The increase of approximately $185 million in total budgetary requirements between fiscal 1980-81 and 1981-82 reflects an expansion in our programs to provide improved highway systems, hospitals, educational facilities, and similar employment creating projects, as well as our impetus in providing for an improved economic climate over the long term in our resource and industrial sectors.

This Budget also ensures that customers of the Nova Scotia Power Corporation will not, for the second successive year, pay higher electricity rates - a measure which represents a total financial commitment by the province of approximately $55 million in 1981-82.

Mr. Speaker, this Budget plan has as its major initiatives the maintenance and extension of the services and programs which will assist Nova Scotians through this difficult period to future economic recovery. This Budget plan reflects the priority this government holds for its people, their health and social well-being.

This government would have preferred not to utilize deficit financing. We had three choices available to us:

We could have cut services to people, such as health care, educational programs and assistance for the disabled and our senior citizens, to protect their inherent right to remain in their own homes. We could have allowed Sydney Steel to continue to build up horrendous debts with no modernization program and not provide funds to develop the energy and natural resources of our province.

We could have increased taxes and allowed electrical rates to increase as they did in the 1970's.

Or finally, we could accept deficit financing.

I do not believe any responsible member of this Legislature would follow any but the latter course at this time. (Applause)

There are additional factors that played a major role in determining our fiscal policy. First, transfer payments from the Government of Canada are not keeping pace with the growth and inflation in this country. Second, high inflation is causing government expenditures on necessary services to people to increase faster than the growth in revenue. Third, the need for the provision of investment capital and grants to ensure that this province has the necessary environment and base to create new jobs.

As I have indicated, inflation was a major factor contributing to this deficit financing. This government, in spite of inflation, is determined however, to preserve the level and quality of the basic services in health, education and social services.

It is my hope, and the hope of all Nova Scotians, as well as all Canadians, that the federal government will effect measures to check the growth of inflation and remove this added cost burden from the budgets of people and governments.

Our objective and our aim is to maintain and strengthen our economy during a time of negative growth pressures. Therefore, our. only choice was the acceptance of deficit financing.

I will now elaborate more specifically on the new and expanded programs the government will offer to Nova Scotians in the coming year. Programs to serve the health needs of Nova Scotians. The government through this Budget plan has directed an additional $48 million in operating expenses in 1981-82 to programs and services offered the people of Nova Scotia by the Department of Health.

Mr. Speaker, we are all aware of the serious nursing shortage experienced by hospitals across the country last year. This government is taking the necessary steps to increase the enrolment in nursing programs to alleviate the chronic shortage which currently persists in our own province.

In cooperation with the Department of Education and the Commission on Drug Dependency the Department of Health will also increase by 25 per cent its financial support to the comprehensive drug dependency prevention and education services offered to school age students. The budget of the Department of Health also includes provision for more than $26 million in capital expenditures for 1981-82. Some of the major initiatives to be undertaken by this government in the year ahead will be to:

upgrade regional hospitals and facilities at a cost to the province of $5.6 million including the hospital construction program at New Glasgow, Sydney Mines, North Sydney, Middleton, Glace Bay and Annapolis Royal. (Applause)

commence the initial $12 million construction phase of the Camp Hill Hospital complex. This will also have a positive spin-off in the creation of ongoing employment opportunities for the Halifax-Dartmouth Metropolitan area construct an Ambulatory Care and Oncology Building at the Victoria General Hospital at a cost of $3.4 million this year; and

direct over $1.4 million to the renovation, design and construction of the new facilities at the Nova Scotia Hospital in the coming year.

Mr. Speaker, this government has committed in total more than one-half billion dollars to health care in Nova Scotia in the 1981-82 fiscal year. This represents a concerted effort on behalf of this government to ensure that expenditure restraint does not in any way restrict the quality of health services the people of this province now enjoy. (Applause)

The government has also taken in this Budget, deliberate strides forward to further assist senior citizens. These people, Mr. Speaker, have been and will continue to be of great service to this province. They have helped lay a firm foundation for ongoing generations. They must not be forgotten.

I am proud to say that beginning this year, $1.9 million has been budgeted for a new program to provide a monthly rent subsidy to all senior citizens who are in receipt of the Guaranteed Income Supplement. We have also set aside $2.5 million to fund the program to rebate 50 per cent of 1980 property taxes to senior citizens who own their own homes and are at the same time in receipt of the Guaranteed Income Supplement.

Mr. Speaker, at a cost to the province of $4.4 million for these two initiatives alone, this government has made a decisive effort to broaden the government's attention to those needs of senior citizens who would prefer to stay in their own accommodations. (Applause) And, Mr. Speaker, we are not stopping there. To reflect general increased living costs facing senior citizens, we have transferred sufficient funds to the Supplementary Old Age Assistance Fund to provide an additional $1 million to the special assistance payments provided the aged in our province, bringing the cost of this program to $9.5 million for the year.

We have continued our assistance to senior citizens who cannot afford the cost of repairs and maintenance to their homes by providing $2 million to the Senior Citizens Assistance Program. We have made provision for the addition of 460 new beds in homes for special care for the aged in areas where the need is greatest. The government has also increased by approximately 60 per cent funding of its existing homemaker program which this year will allow for the development of two pilot projects to provide home care for senior citizens in Lunenburg and Pictou Counties. Also to assist municipalities in their maintenance of persons in need in homes for the aged, we have increased our commitment to roughly $14 million, almost 15 per cent over the previous year.

Mr. Speaker, this is the International Year of the Disabled. We have focused on the needs of the disabled in Nova Scotia and have budgeted for the following. The government this year will, at an estimated cost of $3 million initiate a Pharmacare program for disabled persons in receipt of family benefits. This major step forward will be of direct benefit to over 12,000 Nova Scotians this year.

In recognition of the United Nations International Year of Disabled Persons the province established an advisory committee last fall to recommend criteria for the issuance of grants from a $50,000 fund which has been included in the 1981-82 Estimates. Again, the government is demonstrating through action the priority it attaches to the people of this province and their needs.

At additional cost to the government of $150,000, we have also approved, through the Health Services and Insurance Commission, the funding of yet another new program for the province, a program which will provide financial assistance to those in need of artificial arms and legs in Nova Scotia. A independent living facility for physically handicapped persons will also be established in the coming year. Further expansion and improvements are planned in the current year in the physical plant facilities of the workshops for the handicapped in this province. In this Budget $300,000 has been allocated to this effort in 1981-82. Capital funds have been budgeted to develop, modernize and expand the facilities required for mentally handicapped children.

Mr. Speaker, the exciting and new measures which I have described to you thus far will go far in helping those in need in our province. We should not omit mention, however, of other major efforts taken by this government which are of equal ongoing importance to a segment of our population.

The Family Benefits Program, for example, not only provides assistance to the disabled, but also attends to the needs of single parents, unemployable females and foster children. Total funding of this program has risen 24 per cent in the past two years, resulting in a commitment of more than $73 million in the current year. We have also increased by 25 per cent the funding for registered day care centres in the province.

I will outline later the assistance we are extending to municipalities in order that they too will be able to maintain the standard of service they offer to people in need at the local program level.

Mr. Speaker, another critically important segment of our population which requires the attention and assistance of government is our young, those who are least able to protect themselves, and least able to make their basic needs known. Included in this funding is the development of a treatment oriented facility in the metropolitan area to make available professional services to children who require special help in their developmental years. The budget of the Special Protection Services for children in the province has risen by over $1.1 million to more than $1.9 million in the last year alone. (Applause) Funding for the children training centres around the province has also risen by approximately 18 per cent in total over 1980-81.

Mr. Speaker, the Government of Nova Scotia will spend this year, in total, more than $110 million in operating expenditures, net of recoveries, through the Department of Social Services alone. Since introducing our first Budget in 1979-80 this government has, therefore, increased its commitment to the operation of fundamental social programs in this province by almost 25 per cent. (Applause)

Mr. Speaker, in addition to caring for the health and social requirements of the people of this province, we must also direct our attention to the administration of justice in Nova Scotia in the protection of our basic rights and freedoms as Canadians.

Mr. Speaker, last year we introduced a program to compensate victims sustaining personal injury as a result of a crime. This year we have budgeted over $0.25 million for this program, and have established two full-time staff to carry out the administration of the program.

In addition the government is expanding, by nine additional appointees, the Assistant Probation Officers Program in Nova Scotia. This program encourages public involvement in the criminal justice system through direct supervision of caseloads in densely populated urban areas and remote rural parts of the province. We will also double our contribution to the Small Claims Court program which we initiated last year.

Mr. Speaker, since taking office we have expanded the budget of the Human Rights Commission by 38 per cent, to not only improve the investigation of alleged violations of the Human Rights Act, but also to develop and implement a program to better educate all of us in the field of human rights.

The government's financial support to the Nova Scotia Advisory Council on the Status of Women has increased by more than 180 per cent over the same period, and by over 60 per cent in the last year alone. The Council's activities this year will include embarking upon a study of "Women and Employment", and introducing a fieldworker program in the province.

Mr. Speaker, this government recognizes the financial difficulties faced by municipal governments, and we are continuing to search for ways to assist them in their efforts.

Approximately 94 per cent of the budget of the Department of Municipal Affairs is in the form of grant payments to the 66 municipal units in Nova Scotia. The province's financial assistance to municipalities for the residential portion of the municipal shareable operating costs of education amounts to $65 million alone in the current year, up 15 per cent over that provided last year.

But, Mr. Speaker, we have also taken other initiatives which should be recognized at this time. We have, for example, succeeded in launching a new regional transit service, which will afford great benefits to the Halifax-Dartmouth metropolitan area in the years to come. We have increased our financial assistance to municipalities by 68 per cent in the current year, for municipal development planning purposes. We will provide $1 million to municipalities this year, as our share of the costs of the Neighbourhood Improvement Program.

We have budgeted over $225,000 in additional funds, to ensure the ongoing review and revision of the Halifax-Dartmouth Regional Development Plan. We have committed over $5.2 million, of which $4.3 million will be spent in 1981-82, for the construction of the new sports complex in Dartmouth. We have initiated a new program at a cost of $290,000, to provide property mapping to other provincial departments and agencies, municipalities and the public.

We will increase our financial assistance to municipalities for the development of environmentally acceptable solid waste disposal systems. The government will direct over $9 million more in 1981-82 to the provision of municipal social services in the province, to provide for the maintenance of those in need. Through the Department of Transportation, work will continue on street widening, sidewalk construction and paving. Additional funds have been directed to the improvement and maintenance of county roads.

Mr. Speaker, with the time available I have only managed to scratch the surface of the broad range of new and expanded programs this government is supporting in promoting the health and social well-being of the people and communities of Nova Scotia. We must also, however, direct our resources to developing the potential of our indigenous resources, the greatest resource being ourselves, the people of this great province.

This Budget, which represents in a most tangible way an investment in the natural and energy resources of Nova Scotia, also requires that emphasis be placed on a comprehensive manpower training program. This is essential if young Nova Scotians are to be equipped to take advantage of the thousands of job opportunities which will be opening up in the future, as a result of the initiatives which are now being undertaken by this government. This comprehensive manpower training program is designed to enable Nova Scotians to obtain jobs in the resource potential of our province, both onshore and offshore.

To further the aforementioned goals, we have created a special Manpower Training Division within the Department of Labour and Manpower, to identify manpower needs in the industrial, energy and natural resources sectors. This division is also designed to coordinate these programs with the Department of Education, to ensure that our manpower policy is developed in a many compatible with the economic initiatives and employment opportunities which we know will be opening in the years ahead. This is another manifestation of the government's optimism in the future expansion of the economy of our province which, Mr. Speaker, will require an upgrading in the skills of our present and future labour force.

In addition, Mr. Speaker, our government has expanded the operating budget of the Department of Education, net of recoveries, by over $36 million in the current year. Over $279 million is provided in the form of school grants and assistance to school boards across the province. We have increased our contribution to bursaries, under the Student Aid Program, by 19 per cent, to $8.9 million in the current year, in an effort to supplement the financial resources available to students as they continue their formal education training.

Mr. Speaker, throughout the 1981-82 budget of the Department of Education, the government has attached emphasis to those programs for the young and old, which will help Nova Scotians to take advantage of anticipated opportunities in the development of our indigenous natural resources. We have therefore assigned funds specifically for resource programs, to provide training in petroleum, coal, marine and other resource technology, as well as for the evaluation of existing programs.

Joint federal-provincial contributions to adult education programs in the province will increase to $19 million in 1981-82,50 per cent more than that spent only two years ago. An additional $3.8 million in capital expenditures is budgeted for teaching equipment for Adult Vocational Education, in training centres and institutes of technology in the province. We have increased operating budget provisions for the province's regional vocational schools by 16.5 per cent over last year. Capital expenditures in vocational schools have also been increased more than eight fold, to a total of $1.8 million, to cover the costs of teaching equipment in these schools.

Mr. Speaker, the government has allocated $1.3 million towards fisheries training and field services in our province. This assistance is intended to help alleviate the threatening shortages of skilled manpower which have resulted from rapid technological change and certification requirements in the industry.

As we progress into this challenging and critical period ahead of us, Mr. Speaker, it is important that in the pursuit of new goals we do not forego the proud heritage of our past. As a positive step towards ensuring this preservation, restoration of numerous historic buildings throughout the province will continue in 1981, in addition to the completion of the new Maritime Museum of the Atlantic.

As emphasized in the Speech from the Throne, Mr. Speaker, this government is committed to the creation of new employment opportunities and to ensure job stability for Nova Scotians in the year ahead. We know that this can, in part, be accomplished by generating employment in the process of developing our energy resource potential in the province. We must also, however, build upon the strengths of the basic resource industries in Nova Scotia. These industries will continue to represent an important element and stabilizing influence on the provincial economy in the year ahead.

I am, therefore, pleased to announce, Mr. Speaker, that in an attempt to encourage new farmers to enter the agricultural industry, the government will maintain the subsidization of interest rates on long-term farm loans and lease rates on leased lands. (Applause) This initiative, combined with other incentive programs offered through the Nova Scotia Farm Loan Board will result in that agency's budget increasing by $1.2 million or by approximately 22 per cent in 1981-82 over last year.

This Budget provides for a spruce budworm spray program totalling $1 million which will help to protect an additional 28,000 hectares of woodlands in the province from further devastation. The government's commitment to sound forest management policies is emphasized in the department's reforestation and silviculture budget which will increase expenditures by 24 per cent to a level of $1.6 million in 1981-82.

You will recall, Mr. Speaker, that last year this government announced the long-term policies we adopted to maximize the economic and employment potential of the fisheries sector. This year's budget for the Fisheries Department endeavours to achieve these goals by providing for a 35 per cent increase in the department's 1981-82 planned operating expenditures. Funds available for industrial development in the fisheries will increase by roughly $3.7 million in 1981-82 to a level of $12.5 million, a large portion of which is the subsidy afforded to the fishing industry through low interest loans. Major emphasis and priority will continue to be placed on quality improvement and aquaculture development.

I would also like to point out, Mr. Speaker, that promotional activities and sound management policies will be pursued by this government to encourage the development of mineral resources in the province. I will outline specific initiatives in this regard later in my address.

We must not, Mr. Speaker, overlook the significant contribution which is made by the tourist industry to the economy of Nova Scotia. Now, this government is fully cognizant of the level of employment and economic activity generated by this industry in recent years. We are also aware, Mr. Speaker, of the need to maintain job stability for Nova Scotians employed in this largely seasonal sector. In this regard, the next year will see the implementation of many new government programs which will promote travel to Nova Scotia.

We will develop the potential offered by Europe and the United Kingdom markets by establishing a tourism presence in the Agent General's Office, to promote a range and variety of packaged tours to Nova Scotia. We will initiate a new program of advertising and promotion of Nova Scotia in western Canada and overseas, in conjunction with major Canadian airlines at a cost of $225,000. We will also undertake new advertising programs totalling more than $200,000 in 1981-82 to promote package tours and to encourage longer stays in all parts of the province.

Mr. Speaker, this government is committed to the basic resource industries of this province. These sectors have, in the past, served as a stabilizing influence on the Nova Scotia economy and will continue to do so in the years ahead. The Budget measures which 1 have outlined, Mr. Speaker, are intended to ensure the prominence of these industries in our overall economy as we proceed through the 1980's.

This Budget, Mr. Speaker, also presents many expanded and new initiatives designed to support and encourage the development of business opportunities in the province. The government's efforts in this regard are reflected in the 27.6 per cent budgeted increase in the expenditures of the Department of Development, exclusive of expenditures pursuant to the General Development Agreement.

More specifically, I am pleased to announce, Mr. Speaker, that a Small Business Development Corporation has been established with an anticipated lending program of $15 million in 1981-82. (Applause) This agency will provide financing at preferred interest rates to small businesses in the province to a maximum of $250,000 for each project. A 34 per cent increase in the budget of the Business Development Centre has also been provided in an effort to furnish consultant services to small businesses to assist them in overcoming particular business difficulties.

The highly popular Rural Industry Program will continue to provide capital grants to small businesses to aid in the establishment and expansion of selected enterprises in Nova Scotia.

The government will also continue to promote an awareness of Nova Scotia's goods and services through the Office of the Agent General in London, England and through an enhanced Trade Expansion Program in 1981-82.

The government will also provide approximately $10.4 million through the Special Assistance Program of the Department of Development. This program provides funding for specific industrial projects which indicate a potential for being the basis of new or expand ing industries. These programs, Mr. Speaker, in conjunction with the continued focus of Industrial Estates Ltd., are intended to provide the framework necessary for the creation of new jobs by the private sector in the province in the years ahead.

Mr. Speaker, I must however once again express my concern over the lack of initiative on behalf of the federal government to approve the province's Subsidiary Agreement proposals which are now outstanding. As many of the agreements which have provided the province with valuable assistance over the years near completion, the continued necessity for new programs becomes more urgent, particularly so, as we more clearly identify what is required for future energy development in this province.

If the federal government cares, and wishes to convince Nova Scotians that it is serious about enabling them to assume their rightful role in the Canadian economy in the years ahead, then approval for these development programs must be forthcoming without further delay.

Mr. Speaker, I would now like to draw your attention to specific initiatives this government will undertake in 1981-82 to create jobs. Through the provincial Employment Program alone the government this year will direct approximately $14 million to businesses, municipalities and individuals in Nova Scotia for direct job creation. (Applause)

Recognizing the contribution of the residential construction industry to the creation of employment opportunities in the province, and to assist Nova Scotians to acquire their own homes, the government has increased its Health Services Tax rebate for new homes by $250 to $750 bringing the total cost of this program to $2.9 million for the year.

Exemptions under the Health Services Tax will be expanded to cover purchases of a much wider range of energy conserving items such as storm windows and doors, double and triple glazed windows, heat pumps and time controlled thermostats. Additional funds have also been provided for the Home Insulation Program.

The government has broadened the income and mortgage limits as well as the amortization period under the Self-Help Housing Program of the Nova Scotia Housing Commission by advancing an additional $22.4 million in mortgage funds to a total of $29 million for the year.

The employment impact of the province's total Capital Program for this year will also be substantial, Mr. Speaker. Gross Capital Expenditures of almost $301 million have been budgeted for the 1981-82 fiscal year, representing the most concentrated job creation effort taken by any provincial government in the history of this province.

Our province does not have unlimited resources, Mr. Speaker. Nevertheless the Capital Program demonstrates the conviction which we as a government hold for the right of every Nova Scotian to hold a job if he or she is able to work.

This perhaps is the appropriate place to say a few words about the recent federalprovincial initiatives which have been undertaken to give this province's steel industry new hope for the future. The province and the federal government have negotiated a cost-sharing agreement for the modernization of facilities at Sydney Steel. The province has also budgeted to cover the interest costs of Sysco's debenture debt. The 1981-82 Estimates also include capital contributions to Sysco totalling approximately $48 million to be used for debt retirement. (Applause) The latter, together with the conversion to equity of some $52 million in provincial loans, will result in Sysco being relieved of $100 million of debt during the 1981-82 fiscal year.

Mr. Speaker, earlier I alluded to the many opportunities, including employment, that will be afforded this province in future years, through the development of Nova Scotia's indigenous energy resources.

I would first like to report, Mr. Speaker, that already developments initiated and undertaken by this government have significantly reduced the province's dependence on expensive imported oil. They have in turn resulted in the creation of many new jobs, and brought employment stability to our economy.

I am referring, of course, to this government's ongoing development of our coal resources, particularly for electric power generation. This government made the decision to undertake the necessary drilling to ensure that the Donkin Mine would proceed. We have proceeded with construction of two new 150 megawatt plants at Lingan, without federal assistance. At the same time, the federal government enjoyed the substantial financial savings of lower oil import compensation payments as our consumption of oil was offset through power generation by coal.

These programs are in conjunction with the other areas of development in the utilization of our coal resources such as the Underground Methane Gas Recovery Project in Pictou County. In addition, our government, in conjunction with private and Crown corporations, will participate in the study of the feasibility of the establishment of a coal liquefaction plant in Cape Breton. Also, as outlined in the Throne Speech, we will be embarking on a number of additional coal mining operations, as well as hydro projects.

While the employment impact of these major initiatives has already conveyed significant benefit to the Nova Scotian economy there can be no doubt that future developments in these areas will further improve the employment situation of the province dramatically.

The province considers its proposed Ocean Industry Subsidiary Agreement with Ottawa to be a key element in the preparation of Nova Scotia industry to respond to off shore development. (Applause)

We will continue to pursue vigorously major potential industrial developments, including such projects as an LNG facility for the Strait of Canso, and the commencement of the major Fundy Tidal Power Project. The Annapolis Pilot Tidal Power Project is proceeding well, and our government has recently had encouraging discussions with New York officials regarding the construction of the $10 billion Fundy Tidal facility which will be owned by, and an asset of, the people of Nova Scotia. (Applause)

Yet, Mr. Speaker, if Nova Scotia is to fully succeed in the development of its own strong resource base, we must also accept the responsibility now of managing our renew able and non-renewable resource potential in a manner which will ensure that the people of Nova Scotia reap their greatest benefits.

A significant step towards achieving this goal was taken through the establishment by this government in 1979 of Nova Scotia Resources Limited. This corporation has, as its vital role, the responsibility of managing and developing the province's interest in all energy and mineral resource industries.

To assist this corporation to effectively fulfill its objectives, Mr. Speaker, we must ensure that all arms of the government which are currently dedicated towards industrial development in the province are coordinated in a rational, efficient and effective manner.

We have therefore commissioned a study which will undertake a comprehensive review of the future roles to be assumed by the Department of Mines and Energy, the Department of Development, Industrial Estates Limited, as well as Nova Scotia Resources Limited. The latter corporation will, in the future, hold in trust the Heritage Fund of Nova Scotia. It will enable the people of the province to participate, through an equity position, in all major energy and mineral resource activities Other initiatives are being undertaken in an effort to obtain maximum benefit from our natural resources.

Within the Department of Mines and Energy a number of programs relating to energy management and development have been expanded in the current fiscal year. The Energy Resources Division has been provided additional funds in 1981-82 to accelerate the assessment of Nova Scotia's coal and peat resources, to identify new technologies for using coal, and to monitor and analyze local petroleum exploration activity.

Similarly, additional funding has been provided the Mineral Resources Division of the Department of Mines and Energy to upgrade the province's mineral base and raise industry awareness of Nova Scotia's mineral resource potential through direct contact and the dissemination of information.

As we gear up for the exciting challenges which face us in the development of our province's natural resources, onshore and offshore, Mr. Speaker, the need for preparation and coordination of labour and industry cannot be over-emphasized.

Mr. Speaker, my comments today in presenting the government's fiscal plan for the year ahead, would not be complete without specific mention of the forthcoming negotiations between the Government of Canada and the provinces, on federal-provincial fiscal arrangements. I refer here to the arrangements under which Ottawa makes its financial contributions to provinces for hospital, medical and extended health care services, as well as post secondary education institutions across Canada. These arrangements will expire and are subject to renewal March 31, 1982, less than one year from now.

To date, Mr. Speaker, the federal Minister of Finance has not met with his provincial colleagues, to discuss what adjustments he hopes to make to these arrangements next year, and there would appear to be considerable revisions pending. The federal minister conclusively stated in his October 28th Budget, his intention to reap for the federal Treasury substantial savings in the renegotiation of these programs.

As stated previously, I see this obvious attempt to shift huge federal deficits to the province as the most serious abrogation of responsibility by any government in the history of Canada - a responsibility owed to the people of this nation, in services for which they have greatest need.

Through this Budget and the planned expenditures which I have described to you here today, Mr. Speaker, I have endeavoured to convey the priority this government attaches to the health, social and educational programs it provides its citizens and to the development of our economy, to maximize employment opportunities. We must, however, be honest with ourselves. Any shifting of the federal deficit to our province, through reduced federal support in the financing of these essential programs, has serious financial consequences on our fiscal resources. It puts Nova Scotia and some of her sister provinces in an untenable position in the continued provision of adequate health and education services to our people.

Mr. Speaker, federal transfers to the province in several programs showed either little real growth or suffered decline last year. Equalization transfers alone for 1980-81 and the year ahead, not only declined in real tenus for both years, but contributed substantially less to our overall operating expenditures in both years as well. In short, Mr. Speaker, the government in Ottawa has declared, and to a disturbing extent, effected its entrenchment.

Most recently it has announced its consequent intention to abandon provinces, in some way, in the provision of basic services to Canadians. The ability to do so is squarely within their grasp. Let us hope that clearer vision and modernization will prevail as we move through the year ahead.

Let me close, Mr. Speaker, by saying the process of striking a Budget, when funds are in short supply, is not an easy task. With our economic initiatives showing promise in 1980-81, we look forward to continued improvement through the direction of this Budget.

It is anticipated that these initiatives will result in the province having an improved revenue base. This government has refused to make its task easier by shifting the burden onto its citizens, through higher taxes.

On the other hand, Mr. Speaker, one gains personal satisfaction in building and expanding upon those initiatives which care for people and invest in their potential. This Budget not only focuses on the ,young, old and the disabled in our province, but meets the health, social, educational and economic needs of all Nova Scotians. This, Mr. Speaker, is a Budget for the people of Nova Scotia - a commitment by this government to prepare our province and our people for the prosperous years ahead. (Applause)

Mr. Speaker, it is an honour to speak on this motion to refer the Estimates to the Committee of the Whole House on Supply. To begin with, I want to tell a brief, true story. Late yesterday afternoon I was walking by a shoe store in down town Halifax, guess who was shopping for a new pair of shoes? You guessed it. The Minister of Finance. The Minister of Finance told me, Mr. Speaker, that he was having difficulty in finding the right size and my reply to the minister was, that is not as bad as having difficulty in paying for them.

Mr. Speaker, after having had a very quick look at this document, and it has only been in our hands for an hour, since the minister began to speak, I am afraid that the people of Nova Scotia are going to have a great deal of difficulty in paying for this, especially our children, and their children in the future because it is a huge deficit that is being loaded on the people of Nova Scotia. (Applause)

Mr. Speaker, as all honourable members know, we are discussing the Estimates for the 1981-82 fiscal year. We are also looking in this book, Mr. Speaker, in the Estimate Book, at the forecast for the fiscal year ended March 31, 1981 and the actual figures for the 1979-80 fiscal year. As I have said, the book has been in our hands for only a short time and as a result I plan to speak only for a little while and then adjourn the debate until Tuesday.

First of all I want to talk about the fiscal year ended March 31, 1980. The 1979-80 year is the first complete fiscal period under the Buchanan regime. Mr. Speaker, what I plan to do is take the three years, starting with the first complete year of the Buchanan Government, 1979-80 and then go on up to the year for which we have the present Budget tabled today.

Mr. Speaker, I want to talk first about the Public Accounts for that particular year, 1979-80. The Public Accounts for the fiscal 1979-80 show that for the first time in the history of Nova Scotia, Mr. Speaker, these are the books of the government itself, the