



PREMIER OF MANITOBA

Legislative Building
Winnipeg, Manitoba CANADA
R3C 0V8

March 26, 2020

The Right Honourable Justin Trudeau, P.C., M.P.
Prime Minister of Canada
Office of the Prime Minister
Ottawa, Ontario K1A 0A2

Re: Provincial Liquidity

Dear Prime Minister Trudeau: *Justin*

I appreciate your leadership and all of the efforts of your government as we continue to battle the national COVID-19 pandemic crisis. We are our doing our utmost to provide for public health and safety, to slow the spread of this infection and prepare our front-line health care services for its inevitable advance.

As all of these efforts unfold, provinces face other unprecedented challenges directly related to the pandemic. Collapsing credit markets are undermining essential provincial borrowing capacity and are creating an emergent liquidity crisis.

I am therefore writing to request your immediate assistance to initiate emergency federal borrowing on behalf of all provinces.

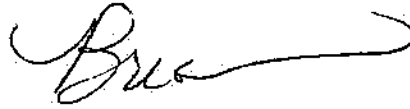
To illustrate this aspect of the national crisis, in our province, plummeting revenues and increasing cost pressures have left us with only one to two months of cash on hand to support essential services. Lending markets are overwhelmingly shutting out smaller provinces. Where the little remaining credit is available, the additional cost of borrowing for Manitoba is estimated at 150 basis points higher than your federal rate for many longer term maturities. These realities will not allow us to address our liquidity challenges. Even were that not so, they create the prospect of our having to divert hundreds of millions of dollars from health care to banking institutions.

Respectfully, the recent Bank of Canada proposal to support provincial borrowing does not address these enormous challenges. More fundamental, direct assistance, is required immediately.

Narrowly, my specific request is straightforward. That your government simply borrow on behalf of all provinces at federal rates – and extend those facilities to the provinces on those identical terms – on the understanding that we will repay those sums in full once this storm passes.

I broached this subject verbally with Deputy Prime Minister Freeland earlier today. And I now look forward to your urgent response.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian", with a long horizontal flourish extending to the right.

Brian Pallister

All the best to Sophie + family.

c. Honourable Chrystia Freeland
Deputy Prime Minister

Honourable Bill Morneau
Minister of Finance

Honourable Scott Fielding
Minister of Finance

All Premiers