



Third Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHEEMA, Gulzar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
CONNERY, Edward	Portage la Prairie	PC
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold	Rossmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, March 11, 1992

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, I beg to present the petition of Harold Nash, John Kolisnyk, Tony Gulash and others requesting that the Minister of Housing (Mr. Ernst) consider reinstating local housing authorities with volunteer boards.

Mr. Oscar Lathlin (The Pas): Mr. Speaker, I beg to present the petition of Wayne Waddell, Richard Grouette, A. J. Asgarali and others requesting the government show its strong commitment to aboriginal self-government by considering reversing its position on the AJI by supporting the recommendations within its jurisdiction and implementing a separate and parallel justice system.

Mr. Daryl Reid (Transcona): Mr. Speaker, I beg to present the petition of Jennifer Davidson, Will Ziprick, Alf Wiebe and others requesting the Minister of Justice (Mr. McCrae) call upon the Parliament of Canada to amend the Criminal Code to prevent the release of individuals where there is substantial likelihood of further family violence.

READING AND RECEIVING PETITIONS

Mr. Speaker: I have reviewed the petition of the honourable member. It conforms with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read?

The petition of the undersigned citizens of the province of Manitoba humbly sheweth:

THAT child abuse is a crime abhorred by all good citizens of our society, but nonetheless it exists in today's world; and

It is the responsibility of the government to recognize and deal with this most vicious of crimes; and

Programs like the Fight Back Against Child Abuse campaign raise public awareness and necessary funds to deal with the crime; and

The decision to terminate the Fight Back Against Child Abuse campaign will hamper the efforts of all good citizens to help abused children.

WHEREFORE your petitioners humbly pray that the Legislature of the Province of Manitoba may be pleased to request that the government of Manitoba show a strong commitment to deal with Child Abuse by considering restoring the Fight Back Against Child Abuse campaign. (Ms. Barrett)

I have reviewed the petition of the honourable member. It conforms with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read?

The petition of the undersigned citizens of the province of Manitoba humbly sheweth:

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I have reviewed the petition of the honourable member. It conforms with the privileges and practices of the House and complies with the rules. Is it the will of the House to have the petition read?

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WHEREFORE your petitioners humbly pray that the Legislature of the Province of Manitoba may be pleased to request that the government of Manitoba show a strong commitment to deal with Child Abuse by considering restoring the Fight Back Against Child Abuse campaign. (Mr. Martindale)

I have reviewed the petition of the honourable member. It conforms with the privileges and

practices of the House and complies with the rules. Is it the will of the House to have the petition read?

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* (1335)

TABLING OF REPORTS

Mr. Speaker: Pursuant to Section 55 of The Freedom of Information Act, I am tabling the Third Annual Report of the Ombudsman.

INTRODUCTION OF BILLS

Bill 63—The Highway Traffic Amendment Act (2)

Mr. Daryl Reid (Transcona): I move, seconded by the honourable member for Burrows (Mr. Martindale), that Bill 63, The Highway Traffic Amendment Act (2); Loi no 2 modifiant le Code de la route, be introduced and the same be now received and read a first time.

Motion presented.

Mr. Reid: Mr. Speaker, the purpose of this bill is to rectify an inconsistency in The Highway Traffic Act. Currently the amateur radio operators, also known as ham operators, are allowed by statute to apply for and display the VE4 designated licence plate on his or her private car.

The present statutes do not permit these operators to have and display such licence plates in place of the standard issue plate on private light-duty trucks registered in their name.

The ham operators play a significant role in our preparation and reaction to disaster within our province and throughout the world. In conjunction with the Emergency Measures Organization, the ham operators fill the communication void during times of emergency or disaster when normal communications are disrupted. By allowing these ham operators to display these VE4 plates on their private light-duty trucks, it can increase the role these radio operators play in an emergency or disaster situations.

I ask and look forward to the support of all members of this House for this important bill.

Motion agreed to.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, may I direct the attention of honourable members to the gallery where we have with us this afternoon 15 visitors from the Adult ESL Winnipeg School Division No. 1. They are under the direction of Susan Israel.

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

* (1340)

ORAL QUESTION PERIOD

Piper Aircraft Manitoba Relocation

Mr. Jerry Storie (Flin Flon): Mr. Speaker, some months ago the member for Portage (Mr. Connery) chastised this government and particularly the Department of Industry, Trade and Tourism, for bungling a set of negotiations which could have landed the Piper Aircraft Corporation in the province of Manitoba, bringing some 500 jobs to the province of Manitoba.

The Minister of Industry, Trade and Tourism (Mr. Stefanson) assured us that the department was still working hard to discuss the potential location of that plant in the province of Manitoba.

Today in the *Globe and Mail*, it is reported that Harvard investments, along with the creditors involved in this bankruptcy action, have asked the courts to allow the purchase by the Saskatchewan group to go ahead, locating some 500 jobs which could have been in Manitoba to go to Saskatchewan.

Can the minister indicate whether in fact in terms of Manitoba this deal is now dead?

Hon. Eric Stefanson (Minister of Industry, Trade and Tourism): The short answer to that question, Mr. Speaker, is no. The owner of Piper, Mr. Stuart Millar, was in Winnipeg a week ago and met with myself, met with officials of our department, and there are still options being pursued as it relates to Piper aircraft.

Mr. Storie: Mr. Speaker, according to the *Globe and Mail* article, the minister continues to be Pollyanna about the prospect.

Seafood Enterprises Associates Agreement

Mr. Jerry Storie (Flin Flon): Some weeks later, Mr. Kim Sigurdson, the vice-president of SEA Inc., also said that some 160 to 200 jobs could have been located in the community of Portage, had the department been willing to sit down and discuss the possible involvement of the province in that plant.

Can the minister indicate now whether following on his remarks of a couple of weeks ago he has met with SEA and whether in fact that plant will also be lost to Manitobans?

Hon. Eric Stefanson (Minister of Industry, Trade and Tourism): Mr. Speaker, in terms of the issue related to SEA, the honourable member for Portage la Prairie (Mr. Connery), the day the issue was raised in the House, met with Mr. Kim Sigurdson and offered to meet with me and my officials immediately that day or the next day at any particular point in time that he was prepared to do so. The member for Portage la Prairie can certainly speak for himself. Mr. Sigurdson suggested possibly meeting sometime in April.

I should point out we have written a letter to SEA, as I indicated to the honourable member for Flin Flon (Mr. Storie); to date, we have received no reply. I have had no specific request to meet with SEA. The honourable member for Portage la Prairie (Mr. Connery) offered the services of our department, of my office, to meet and it was not taken. It was suggested to do it at some later date.

I should remind the honourable member, we are talking about significant financial requests of the Province of Manitoba. In the case of SEA annual guarantees of \$20 million, in the case of Piper, Mr. Speaker, the indication from the Province of Saskatchewan is a contribution of some \$35 million. When we look at projects like this we do diligence on behalf of the taxpayers of Manitoba, because we

take their hard-earned tax dollars very seriously, unlike the NDP during their term in government.

Employment Creation Strategy Government Commitment

Mr. Jerry Storie (Flin Flon): Mr. Speaker, this minister and his department have a string of losses that are really quite tragic for Manitoba. They include MacLeod Stedman, the Piper deal and perhaps SEA.

My question is to the Premier, who now sits as chair of the Economic Development Board of cabinet. Does the Premier take any responsibility for these bungled opportunities on behalf of Manitoba? Will the Premier consider reassigning some responsibility so that Manitobans can get what other provinces apparently can get for their provinces?

* (1345)

Hon. Gary Filmon (Premier): Mr. Speaker, the people of Manitoba well remember the business acumen of the New Democratic Party. They remember putting \$30 million, dumping it on the sands of Saudi Arabia for zero jobs in Manitoba. They remember that very, very well. They remember dumping \$32 million on reinsurance from MPIC, taxpayers money, dumping it for zero jobs in Manitoba.

What the member for Flin Flon is not telling the public is that he would be prepared to risk \$150 million of loan guarantee capital from the taxpayers of Manitoba to try and get a couple of hundred jobs from a company that will not invest any of their own money. He would be willing to up the ante of \$35 million that the Saskatchewan NDP government is willing to put into the Piper aircraft firm, Mr. Speaker, without any guarantee, without any collateral. He would be willing to risk that taxpayers' money like he threw away the money in Saudi Arabia, like he threw away the money in MPIC. This government will not throw away taxpayers' money and raise taxes like he did.

Manitoba Telephone System Staff Layoffs - Portage la Prairie

Mr. Gregory Dewar (Selkirk): Mr. Speaker, my question is for the Minister responsible for MTS. As part of what this government calls rightsizing, a minimum of 100 jobs and potentially over 1,500 jobs will be lost at MTS over the next few years. We are

beginning to see this now when the government decided to cut 22 operator jobs in the city of Portage la Prairie.

Did this minister consult with the City of Portage la Prairie before he cut these jobs?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Mr. Speaker, as I told the member last week, the mission of MTS is to supply high quality service at lowest possible cost to all its consuming public. The MTS is having voluntary retirement programs, does have a rightsizing program, to keep its costs down, so that it can deliver the telephone communications services to all Manitobans at the least possible cost.

Mr. Speaker, let me tell the member what Saskatchewan has just done—increased the residents' rate from \$8.65 a month to \$10.65, an increase of 23 percent, and to businesses an increase for the same phone of 31 percent, this year. That is the Saskatchewan approach. Our approach is to keep the cost down for the consuming public of Manitoba.

Mr. Dewar: What will the minister do to ensure that Portage la Prairie will not lose these 22 jobs—

Mr. Speaker: Order, please. The honourable member for Selkirk, kindly repeat your question, please?

Mr. Dewar: Mr. Speaker, what will this minister do then to ensure that Portage will not lose these 22 jobs? What is he offering them?

Mr. Findlay: Mr. Speaker, MTS is a very responsible employer. They will be offering them opportunities for other employment, opportunities of career counselling to help them identify other opportunities that exist.

I am not saying there are any specific jobs that have been identified at this time, but they are in a process that is responsible to both their employees and to the telephone users of this province.

Mr. Dewar: Mr. Speaker, after the air base—

Mr. Speaker: Order, please. Question, please.

Federal Telecommunications Bill Government Position

Mr. Gregory Dewar (Selkirk): My final question is for the same minister.

What is the government's position on the new telecommunication bill currently before the House of Commons?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act): Mr. Speaker, I have heard from that side of the House many issues about wanting national standards. The recent federal telecommunications bill does allow for national standards.

As the member may remember, we signed a Memorandum of Understanding to the federal government about a year ago that laid out our conditions under which we would accept them introducing that kind of a bill. My understanding is, the vast majority of the conditions in that MOU are addressed in the present telecommunications bill. We will be watching it very carefully to be sure that the rights of Manitobans are protected and the ability of Manitobans to be regulated by Manitobans in the new CRTC process is respected as we laid out in the MOU.

* (1350)

St. James Seniors Group Government Assistance

Mr. Paul Edwards (St. James): Mr. Speaker, for the Minister responsible for Seniors: The minister, in a letter to me of January 30 of this year, indicated that he would be meeting with representatives of the St. James Senior Centre group the next day, January 31, 1992.

This group has been organized for some time now, going on two years, and is experiencing some considerable amount of frustration in securing a facility for a seniors centre in St. James. The minister is aware of that and indicates in his letter that he appreciates their frustration in dealing with this issue.

Mr. Speaker, can the minister indicate what assistance he was able to give that group at the meeting on January 31 in order to curtail the frustration that they are feeling, which he obviously recognizes and apparently sympathizes with?

Hon. Gerald Ducharme (Minister responsible for Seniors): Mr. Speaker, I did meet with the group along with the St. James school board. As the member is aware, there are new methods to obtaining school buildings. I went through it also with our members who represent that area. Now we have the two groups together and they are now working that situation out. I will report back to this minister along to the members from St. James.

Mr. Edwards: Mr. Speaker, again for the minister—and I am pleased to hear that something is in the works.

Why is this minister and this government able to come up with hundreds of thousands of dollars for a commercial and residential project on Portage Avenue, an upscale project, and yet unable to go to bat and seemingly get a result and a facility, any facility for the seniors group, the grassroots group which has been asking them, and at work, for going on two years, Mr. Speaker?

Mr. Ducharme: Mr. Speaker, as a result of this meeting, the two groups had many of their questions answered. The two groups, especially the seniors group did not understand the various means to obtaining provincial buildings and especially schools. That was explained by the local school board. The school board told that group to go back with a proposal. Now that seniors group is going back to the school division with their proposal which at the time they did not have ready.

Educational Facilities St. James Seniors Group Usage

Mr. Paul Edwards (St. James): Mr. Speaker, on the same matter for the Minister of Education, will the minister indicate whether or not the schools that were built by the school boards prior to them coming under the Public Schools Finance Board will indeed remain in the hands of the school board; that is, schools that were built and constructed by the school board prior to the school finances board regime. Will they remain entirely in the hands and at the discretion of the school board themselves?

Hon. Rosemary Vodrey (Minister of Education and Training): Mr. Speaker, we are in the process of developing a policy in relation to schools and the use of schools and the devolving of schools. That policy is now being looked at by MAST, the Manitoba Association of School Trustees, for their input in relation to the policy. I expect to hear back shortly regarding that.

Piney Area Seniors Group Co-ordinator

Mr. Conrad Santos (Broadway): Mr. Speaker, as a young boy, my grandmother advised me not to hesitate to spend my allowance when it came to food because it is foolish to go hungry just to save some money.

Mr. Speaker, the Piney area seniors co-ordinating group has been working for the last three years in order to build a program for a congregate meal for their seniors. They have, for this purpose, surveyed the area for the need. They have prepared kitchen facilities, and they have mobilized community support for this purpose.

Mr. Speaker, why has the Minister responsible for Seniors neglected their funding request for a co-ordinator for the program?

Hon. Gerald Ducharme (Minister responsible for Seniors): I feel like the Maytag man. I have not had a question for five weeks in regard to seniors.

I will answer this particular gentleman across the way, the honourable gentleman, that we have not ignored the seniors. You will see that continually through when we file our budget today. We are working with many groups throughout the city, especially seniors groups, on all financial matters.

Mr. Santos: Will the honourable minister give to the Piney area co-ordinating group a final answer to their farthing request for a co-ordinator for their program?

Mr. Ducharme: Mr. Speaker, maybe the member from across the way should look at my mandate of the Seniors budget he has asked me to fund. To instruct the member across the way, my job as Seniors minister is to work with many departments along the way to make sure the seniors of this province are being well looked after, and I will continue to make sure they are well looked after.

* (1355)

Seniors Programs Government Commitment

Mr. Conrad Santos (Broadway): I give the honourable minister a chance to explain and reconcile this neglect for senior citizens. How does he reconcile this with their government's so-called commitment to senior citizens?

Hon. Gerald Ducharme (Minister responsible for Seniors): Mr. Speaker, when he sees the budget today, he will see how we have reconciled to the seniors throughout this province, unlike anything they did when they were in power for the 16 of 20 years.

Foreign Domestic Workers' Program Government Position

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, my question is for the Minister responsible for Culture, Heritage and Citizenship.

It is in respect to the foreign domestic program, a program in which Manitoba has benefited greatly over the last number years. We would hope that in fact there will be some actions taken from the government. There were some changes in the regulations, in particular, a six-month, full-time training now is part of the criteria and that there now be an equivalent of a Canadian Grade 12 education.

I would ask the minister what her government's position is on this new criteria. Does the minister support it, or does she oppose the new criteria, and will she—

Mr. Speaker: Order, please. The question has been put.

Hon. Bonnie Mitchelson (Minister responsible for Multiculturalism): Mr. Speaker, it was as a result of the information that has been provided that there are going to be some changes by the federal government in this area. I had a meeting with the domestic workers in the province of Manitoba several weeks ago now, and they expressed to me their concerns. We have been in correspondence, and we have been working together. I am attempting to get clarification presently from the federal government on exactly what the implications are going to be and to base my decision on informed information as a result of federal government plans.

Mr. Lamoureux: Mr. Speaker, I can provide for the minister a copy of a press release from the federal government that has the actual criteria.

The question simply is: Does the minister support the changing of the criteria, yes or no? The two specific points in particular, with regard to the six-month, full-time training and the equivalent of the Canadian Grade 12, does she support it or does she not?

Mrs. Mitchelson: Mr. Speaker, I can indicate that I support unequivocally all Manitobans and all those who come to Manitoba, that they should be able to work, produce and live a full and active life. I will continue to work with the domestic workers, attempt to clarify what the federal government is doing and ensure that our government concerns are made known to the federal government.

Mr. Lamoureux: Mr. Speaker, will the minister make a commitment to contact her federal counterpart and demand that the foreign domestic program, as it was established, be fully reinstated so the domestics in the province or potential domestics are not going to be abused?

Mrs. Mitchelson: Mr. Speaker, I can state unequivocally that this government would not tolerate any member of Manitoba's society being abused.

Grand Rapids Generating Station Oil Spill

Mr. Oscar Lathlin (The Pas): Mr. Speaker, my question is directed to the Minister of Environment.

Last night, Mr. Speaker, one of the turbines at the hydro dam in Grand Rapids started to malfunction, spreading oil over the surface of the water at the dam and flooding the powerhouse, forcing the shutdown of the other turbines. Understandably, of course, fishermen and the people who use wells are deeply worried about this issue.

I want to ask the minister: Can he tell the House and the people of Grand Rapids of the extent of the damage and what action his department has taken to date in terms of rectifying the situation at Grand Rapids?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, that is certainly a legitimate question that the member raises.

I want to tell you that it is my understanding that any spread of oil has been confined to the powerhouse. If it should go beyond that, there have been provisions made for booms to be put on the surface of the water exiting from the powerhouse to make sure that we contain any oil that would escape from there.

There are Environment officials there, along with Manitoba Hydro. I would like to add that the information I have received so far is that this oil is in fact nontoxic and biodegradable. That should go a long way towards helping us make sure that there is no environmental damage or that it is minimized, and provide some comfort to those who are concerned about the quality of the water.

I want to assure the member that this minister has also been told that one of the first responsibilities following on his work regarding the environment will be on the part of our director to make that he is in

touch with the fishermen and to the local community to make sure that they are fully informed.

Mr. Lathlin: Mr. Speaker, maybe also the minister can tell the House what accommodations he has prepared. I know he is saying that the booms are in place to contain the spreading of the oil, but maybe he would like to advise this House as to what accommodations he is taking to ensure that residents will have safe drinking water while his department continues to work and test the water.

Mr. Cummings: Mr. Speaker, we want to make sure that every necessary precaution is put in place. As I said a moment ago, the environmental officer who is at the site, one of his first responsibilities will be to work with the local community. I think, obviously, giving them the assurance that the water quality is protected will be one of his primary responsibilities.

* (1400)

Grand Rapids Generating Station Turbine Inspections

Mr. Oscar Lathlin (The Pas): Mr. Speaker, there were reports that more than one of the turbines had been vibrating for a while before this incident.

Could the minister—will he be recommending to Manitoba Hydro that they immediately order inspections of other turbines at the other sites?

Hon. James Downey (Minister of Energy and Mines): Mr. Speaker, I thank the member for the question.

I have been informed by Manitoba Hydro that a full investigation will take place of that unfortunate incident at Grand Rapids. As soon as more information is available, it will be released by Manitoba Hydro, as to the extent of the damage and to any other concerns that may flow from that particular site.

Program for Older Worker Adjustment Status Report

Mr. Edward Connery (Portage la Prairie): Mr. Speaker, my question is to the Minister of Labour.

Recently the minister announced an assistance program for older laid-off workers. Will the minister tell this Legislature and the people of Manitoba how the program works and what financial assistance will be given to these workers?

Hon. Darren Praznik (Minister of Labour): Mr. Speaker, the Program for Older Worker Adjustment,

which is a Canada-Manitoba program which has affected laid-off older workers recently in both the constituency of the member for Portage la Prairie and in the constituencies of the two members from the city of Brandon, was signed by this government a few years ago. It provides for assistance to older workers who have suffered layoffs in industries that have been significant to the communities in which they live, fairly large industries, and for which there is very little, in fact no opportunity to be re-employed.

Mr. Connery: Mr. Speaker, members opposite jeer when we talk about senior—

Mr. Speaker: Order, please.

Point of Order

Mr. Steve Ashton (Opposition House Leader): Mr. Speaker, opposition members are often admonished, particularly by the member for Portage, about our rules in terms of answering questions. I am wondering if you might remind him of our rules in terms of supplementary questions.

Mr. Speaker: Order, please. On the point of order raised, I had just reminded the honourable member for Portage la Prairie to put your question, please.

* * *

Mr. Connery: Mr. Speaker, will the minister tell us when the program was brought in, and how many workers are affected in this latest program?

Mr. Praznik: Mr. Speaker, the federal government made the offer to various provinces in the latter part of the 1980s, and it was at the coming to power of this administration that an agreement was struck and I believe signed by my predecessor, the Honourable Gerrie Hammond.

In the current round of announcements, there are three particular layoff situations that were affected—Burns Meats in Brandon, where a total of 133 workers were laid off—12 are potentially eligible, Campbell Soup Company Limited in Portage la Prairie, where there are potentially 35 eligible applicants and Interbake Foods in Winnipeg, where there are approximately 33.

Mr. Connery: Mr. Speaker, there were concerns raised about whether all workers could access the program. Will the minister tell us if he has concerns about the program and if he is anticipating changes to it?

Mr. Praznik: Mr. Speaker, it is with great irony—if we did not have this particular program in place, I

am sure members opposite would be asking us why we did not have it so, in fairness, it is a very legitimate question.

Mr. Speaker, this government, including the ministers who have negotiated and signed this agreement had some concern that the program criteria were somewhat narrow in terms of the significance of the layoff to the community. That will be one item that we will be discussing when myself and national Ministers of Labour across the country meet some time later on this spring.

CKND Television Strike Government Advertising Policy

Mr. Steve Ashton (Thompson): Mr. Speaker, for more than 160 days, CKND employees have been on strike against their employer and media magnate Izzy Asper, on a strike that is one of the longest strikes in the recent history of Manitoba. They have repeatedly asked the provincial government if they will follow the lead of many local businesses and not advertise on CKND for the duration of the strike, either through government-placed ads or in terms of Crown corporations.

My question is to the Minister of Labour. I would like to ask the Minister of Labour whether he has made representations to his colleagues, to the Premier (Mr. Filmon), to ask that the government of Manitoba not choose sides in this dispute and pull its advertising.

Hon. Darren Praznik (Minister of Labour): Mr. Speaker, I am delighted to answer this question because this is probably one of the few times that a minister of this government has been able to get up and agree with a member of the opposition.

This government will not choose sides, and not choosing sides in the labour dispute means that we do not change our course of action. If this government were to withdraw advertising to that station, then we would be choosing a side. If also this government were to increase advertising to the station, specifically to support the station, we would also be choosing a side. Consequently, we are remaining in a neutral position and not changing our course of action.

Mr. Ashton: The Minister of Labour is saying that what is good for many local businesses in Winnipeg who have withdrawn their ads is not good enough for the province.

How can he believe that they are not taking sides by continuing to advertise?

Mr. Praznik: Mr. Speaker, unlike the individual businesses or individuals in the province who are their own agents and can make their own choice, government, whatever party be in power on this side of the House, has a responsibility to all people in this province, something long forgotten by members of the New Democratic Party when they have been on this side of the bench. Consequently, we have assumed a neutral position in all labour disputes.

CKND Television Strike Government Advertising Policy

Mr. Steve Ashton (Thompson): My final question, Mr. Speaker is to the Premier. I ask the Premier: Why will he not ensure that advertising continues, yes, on other stations, but why will the Premier not listen to the pleas for fairness from the 70 employees at CKND and withdraw the advertising only for the length of the strike, and ensure fairness for those employees and indeed fairness in the labour process?

Hon. Gary Filmon (Premier): Mr. Speaker, being in government carries with it many special responsibilities to ensure that we act in a manner that is fair and consistent at all times. In so doing, we have to ensure that we do not create policies in the midst of a public issue, such as a strike, that are designed to put pressure on one side or the other, and in effect to change the fair, consistent manner in which government should operate at all times.

What the New Democratic Party and their critic are suggesting is that we do take sides in a strike. That is not supportable either by law, that is not supportable by the Constitution, that is not supportable by people in the public at large, the taxpayers, who expect that government will always be fair and consistent in the way in which it operates and will not change policies in the midst of a strike in order to favour one side or the other.

*(1410)

Mount Carmel Clinic Cross-Cultural Counselling Unit

Mr. George Hickes (Point Douglas): My question is for the Minister of Health. Nearly two weeks ago, this House was told that Core Area Initiative funding for the Cross-Cultural Counselling Unit which delivers in 10 different languages at the Mount Carmel Clinic was ending as of February 28.

I would like to ask the minister if his department has reviewed Mount Carmel's urgent funding request for \$47,700 to allow this valuable program to continue to serve the community.

Hon. Donald Orchard (Minister of Health): Yes, as I indicated to my honourable friend when he posed those questions, we had been asked to come into that discussion as a potential funder in early February. Given the planning process of budget development creation, we with regret had to inform Mount Carmel that we were unable to accede to base funding that would have allowed the program to be supported by taxpayer dollars.

Mr. Hickes: Mr. Speaker, my supplementary question is to the same minister.

If they are unable to fund this valuable program for ethnic minorities, would the minister consider the bridge funding of \$6,000 to at least give them a chance to find alternative funding?

Mr. Orchard: Mr. Speaker, my honourable friend might also recall that there is currently an evaluation of the program ongoing. That evaluation is being funded by the federal government.

I will make this case to my honourable friend, as I did in response to the request last month, not predicting the outcome of that analysis in any way, shape or form, but should that program be deemed of sufficient value to continue, I would consider very seriously approaching the federal government, because as part of immigration policy, I believe there could well be a joint role that we could consider.

Fisheries Industry Rough Fish Marketing

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, my question is for the Minister of Natural Resources. Fishermen on Lake Winnipegosis, who are very low-income people, are extremely concerned with the cutbacks to the amount of mullet which is being purchased this year.

I would like to ask the minister: What communication has this government had with the Freshwater Marketing Board in terms of projected sales? What steps is this government taking to find new markets for the sale of this product, which is as I say affecting the people on the lake very badly?

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, I am delighted to respond to the question. I might say I will respond

to the question more fully as she accompanies me into her constituency later on this afternoon where we will be talking about resource issues in the Swan River Valley.

I am surprised at the question. The question of utilization of rough fish, as we call them—mulletts, carp and other species—is one that has quite frankly been of issue and concern to many Ministers of Natural Resources before me, and one that is of constant concern to me.

The fact of the matter is, with all due respect to President Dunn of the Freshwater Fish Marketing Board, they have done an exemplary job in the marketing of rough fish this year, in excess of millions of pounds. I believe the actual figures are between 10 million and 12 million pounds of rough fish this year.

Manitoba fishermen have never—I am distracted, Mr. Speaker, by my Premier (Mr. Filmon), who is punning my response here—The Freshwater Fish Marketing Corporation has never done a better job in the marketing of rough fish, and while they are not firm markets, I acknowledge that they have—

Mr. Speaker: Order, please.

Ms. Wowchuk: I assure the minister that I was not doubting the work of the Freshwater Marketing—

Mr. Speaker: Order, please. Question, please.

Lake Winnipegosis Trap Net Policy

Ms. Rosann Wowchuk (Swan River): What assurances can this minister give the people on Lake Winnipegosis that this government will not make the same mistake as last year and that is allowing trap nets to be used to catch mullet in the spring after the winter fishermen were cut off earlier in the year.

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, allow me to respond to the honourable member in this fashion. Occasionally, even governments do things right, and I speak of the fisheries of Lake Winnipegosis. The member is well aware of the fact that after a severe problem of resource depletion on that lake, after that government closed that lake entirely to commercial fishing, this government partly at the strong leadership displayed by the former member for Swan River, one Parker Burrell, we rationalized the commercial fishing. The Lake Winnipegosis

fisheries has responded above all expectations in this last year.

On the question of individual use, mechanics of using a trap net, I am told that is a management tool to get rid of some particular species at a particular time. If she is suggesting that we refine that or fine tune that, I am always open to those suggestions, Mr. Speaker.

Ms. Wowchuk: Mr. Speaker, I hope that the government will continue to fulfill their promises of increasing the stocks in Lake Winnipegosis.

Can the government also tell us if they are going to take seriously the economic proposals to develop other industries along Lake Winnipegosis associated with the fish industry, serious proposals that have been put forward by the community of Camperville and other areas to decrease the number of people—

Mr. Speaker: Order, please.

Mr. Enns: I have boundless enthusiasm and confidence that my colleague the Minister responsible for Economic Rural Development in rural Manitoba will, along with the communities involved, along with such initiatives brought into being by my great friend, the former Minister of Rural Development now the Minister of Northern Affairs (Mr. Downey), the rural Grow Bonds. We have positioned this government to search out every possible way of making that happen.

School Divisions Funding Formula

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, we have just received a press release from the St. James-Assiniboia School Division. In this press release, they indicate that according to their projections, when the Minister of Education's new formula has finally come to fruition, they will receive \$33,318,000 from the Province of Manitoba, which is less than they received in 1985.

Mr. Speaker, can the Minister of Education tell us if she still believes her formula is equitable?

Hon. Rosemary Vodrey (Minister of Education and Training): Mr. Speaker, I do have faith in the funding formula, as do most school divisions in the province of Manitoba who have at this point expressed confidence. However, where school divisions experience a declining enrollment, then

their need for the exact same amount of funds will also decrease.

Mrs. Carstairs: Mr. Speaker, perhaps the minister can explain why that same taxpayer that the Premier (Mr. Filmon) likes to talk about used to have to pick up through his local support levy some 24.7 percent of the cost of education and at the end of her new formula in this school division will have to pick up 37.52 percent.

Can she tell us how fair that is to the same taxpayer?

Mrs. Vodrey: Mr. Speaker, I would like to remind the honourable member what this government has done in terms of funding education in this school year. It has increased support to school divisions by 3 percent. We have reduced the ESL by one mill on residential property. We have provided assistance for phase-in funding, and as I said yesterday, I fully expect the divisions will be very responsible in their application.

Mrs. Carstairs: Mr. Speaker, can the minister tell this House if it is fair for the province to have decreased its contribution to the support of school children in St. James-Assiniboia by the end of their formula by 13.5 percent?

Mrs. Vodrey: Mr. Speaker, I would like just to review some figures for the honourable member, that the general revenue support K-12 education has in fact remained constant in the last 10 years, 53.8 percent in 1982, 53.7 percent in 1991. The support coming to school divisions, a special levy in ESL is also fairly constant, 45.5 percent in '82, 44.5 percent in '91.

Brandon General Hospital Palliative Care Unit

Mr. Leonard Evans (Brandon East): Mr. Speaker, the community of Brandon is extremely concerned over the cutbacks at the Brandon General Hospital, which are a direct result of this government's underfunding of that hospital by \$1.3 million. The Diamond Jubilee Chapter of the IODE, who I would remind the minister has raised money for many a year to help establish a comfortable home-like environment for the terminally ill patients and their families, namely the palliative care unit, are highly upset that this unit will disappear. They have sent a communication to that effect.

Will the minister be prepared to provide additional funds for Brandon General Hospital so that at least

the palliative care unit will remain in existence and recognize the work of the IODE?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, I am certainly pleased that my honourable friend now is taking an interest in Brandon General Hospital, because before I went out to have a press conference in Brandon on Monday of this week, I researched back in the Brandon Sun to find out the comments of the lead minister from western Manitoba, the member for Brandon East, and how he justified the unilateral, no consultation cutback imposed by government of 29 beds at Brandon General Hospital in October of 1987. Do you know what? The member for Brandon East went underground. He could not be heard from. He was not seen or heard from in Brandon for two months.

Point of Order

Mr. Leonard Evans (Brandon East): The minister is making statements that are totally false and should be removed from the record—

Mr. Speaker: Order, please. The honourable member for Brandon East does not have a point of order. It is clearly a dispute over the facts.

Mr. Speaker: Time for Oral Questions has expired.

Introduction of Guests

Mr. Speaker: I would like to draw the attention of honourable members to the loge on my right where we have with us this afternoon Mr. Arnold Brown, the former member for Rhineland, and also J. Frank Johnston, the former member for Sturgeon Creek.

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

House Business

Hon. Darren Praznik (Deputy Government House Leader): Mr. Speaker, I believe leave of the House—given that today the budget will be brought down very shortly, if we could take a very short recess and reconvene at 2:30.

Mr. Speaker: Is it the will of the House to recess up until 2:30 p.m.? That is agreed. The buzzer will sound for one minute at 2:30 p.m.

* (1420)

The House took recess at 2:20 p.m.

After Recess

The House resumed at 2:31 p.m.

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I move, seconded by the Minister of Justice (Mr. McCrae), that this House approve in general the budgetary policy of the government.

Motion presented.

BUDGET ADDRESS

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I am honoured to present our government's fifth budget to the Legislative Assembly and to the people of Manitoba.

The budget is aimed at helping speed Manitoba's recovery from the recession that is affecting the entire country. It is a recovery that will not be quickly or easily won. However, it can be accomplished through hard work, determination and a sense of purpose that is shared by all Manitobans.

Reasons for Manitobans to be hopeful are beginning to emerge. Inflation rates have eased significantly. Interest rates are 6.5 percentage points lower than their 1990 peak; the dollar has dropped toward more sustainable levels; some commodity prices are rising and there are signs of recovery amongst our trading partners.

The Conference Board of Canada forecasts that Manitoba's economy will grow faster than the national average in 1992, as the Canadian economy recovers from the recession.

Slowly but surely, a renewed sense of optimism is building in Manitoba and across Canada.

In order to build on the gains we have made to date, we must continue to work at restructuring our economy. Business must continue to strive to be as competitive as possible. We must apply new ideas to create goods and services that will be in demand, not just at home, but internationally as well.

Government, too, must employ perseverance, innovation and substantial effort to provide services in an efficient and cost-effective manner. We must continue to find new and better ways of delivering important human services within the limits of the taxpayers' ability to pay.

The determination and commitment of Manitobans to share the burden of the recession has put our province in a strong position as recovery begins. We have battled through bankruptcies,

layoffs, high unemployment rates and a significant decline in retail sales.

By continuing to work together, we can take advantage of our many natural strengths to add momentum to the recovery and help rebuild confidence. In the final analysis, our recovery will only be as strong as Manitobans make it. I am confident the recovery is in good, strong, hard-working hands.

PATH TO RENEWAL

Manitobans want a strong province with economic opportunities that create jobs for themselves and their children. They also want key health care, education and family services maintained.

It has long been recognized that the best social program is having a meaningful job. In order to build a strong economy capable of creating jobs and supporting vital services, we must continue to keep taxes down and the deficit under control. The key to lower taxes and reduced debt lies in controlling government spending.

Since 1988, our government has worked hard at that task. Yes, the job required us to make difficult decisions and to choose our priorities carefully. We realized then that government spending sprees mean big deficits, which translate into higher taxes and fewer jobs.

By prioritizing government spending, we were actually able to cut taxes in our first budget. Since then, we have continued our battle against high taxes and are proud of the fact that not once in those four years did we raise personal or corporate income taxes or the provincial sales tax. Mr. Speaker, that is a record unmatched by any province in Canada, and a distinction we will work hard to keep.

Unlike other jurisdictions, our government remains committed to maintaining capital investment to improve long-term competitiveness while bolstering immediate economic recovery.

We have worked hard to create a positive climate in which Manitoba businesses can prosper and grow. Our increasing reputation as one of the best places in Canada to invest is proof that this strategy is beginning to work.

Together, we must forge a strong partnership among government, business and labour to capitalize on every new opportunity to create jobs

and build a strong economy. As a government, we must also maintain and improve the competitive advantage we have worked together to gain for our province. There can be no return to high spending and high taxes. Consumers, businesses and workers in all sectors expect us to keep taxes down. This budget confirms that our government listened to Manitobans and understands the message.

POSITIONING FOR ECONOMIC GROWTH

Manitoba is a trading province; we rely on the markets of our trading partners, especially other provinces and the United States. In large measure, our ability to export and to generate more jobs and incomes for Manitobans depends on the capacity of our trading partners to buy what we have to sell. For the most part, the economies of our customers are performing below capacity. We cannot create growing demand and recovery in our partners' economies.

But we can ensure that Manitoba is positioned to take maximum advantage of the national and international recovery. Manitoba's cost structures must be trimmed to enable our people and businesses to seize the opportunities that will emerge with recovery. Our tax levels help determine whether Manitoba will be competitive when the recovery takes off. Our debt levels determine whether we will be able to stay competitive. Therefore, a cornerstone of our economic strategy must be to control the cost of government. Let there be no misunderstanding, the cost of government is debt and taxes.

A RESPONSIBLE BUDGETING FRAMEWORK

A responsible budgeting framework is fundamental to responsible fiscal planning. Last year our government took several steps to improve the province's financial management. We recognize that government is not exempt from structural change.

As a first step, we instituted an internal reform process. Last year's budget actually reduced year-over-year spending in about one-half of all departments of government. By securing reductions in administration and management costs, we are able to ensure that more of the budget can be spent on serving Manitobans. The sale of Manitoba Data Services has strengthened strategic economic development opportunities in the

province and reduced data processing unit costs in government. This year the government is establishing the Fleet Vehicle Branch of Government Services as a special operating agency. Overall, there are more than 1,100 fewer positions in government today than two years ago. Manitoba's government is no larger than it was in 1986.

Second, we instituted a revised Estimates process. The new process puts decisions about the overall tax burden facing Manitobans first and foremost. Making responsible spending decisions within the limits of what taxpayers can afford is essential to ensure the continued delivery of vital public services for Manitobans.

Third, we maintained a course of fair but affordable public sector wage negotiations. Last year the overall target of 3 percent growth in public sector wages required a freeze on provincial Civil Service salaries in order to pay for larger increases to others, in particular to nurses. Regrettably, many public entities, including the City of Winnipeg, many school divisions and universities chose not to exercise similar restraint, with predictable results. In many cases, these public entities would be better able to maintain services and jobs and avoid tax or fee increases this year if they had implemented similar wage moderation.

* (1440)

By keeping the deficit under control over the past four years, we are now able to realize some benefit from current lower interest rates. Our administration also set funds aside for difficult times by establishing the Fiscal Stabilization Fund. The Fiscal Stabilization Fund and reduction in public debt costs afford us a measure of breathing room this year to help maintain priority programs without increasing the annual deficit or raising taxes.

Internal reform, the new approach to the Estimates process and public sector wage moderation, all provide a framework to reduce the deficit as the economy improves. This framework will enable us to make the responsible choices necessary to protect vital public programs and deliver them more efficiently on a basis affordable to the taxpayer.

MAJOR TAXES FROZEN FOR A FIFTH YEAR

Manitobans cannot and should not be burdened with more taxes. Therefore, there will be no

increase in personal income taxes. Since 1988, Manitobans' personal income taxes have been reduced by over \$60 million annually. There will be no increase in provincial taxes on businesses. We will continue working to help Manitoba business regain its competitive edge. There will be no increase in sales taxes.

Freezing major taxes for a fifth consecutive year protects the significant improvements in Manitoba's tax competitiveness secured over the last four years. This budget provides further tax relief with a \$10-million reduction in provincial education taxes for homeowners throughout the province.

While we kept a lid on taxes and provided some targeted reductions, other provinces imposed increases. Although Manitoba taxes remain higher than we would like, our position relative to other provinces has improved. The overall burden of Manitoba taxes is now much more attractive in relation to our major competitors. At the First Ministers' Conferences in December and in January, Premier Filmon called for a national freeze on major taxes as a key measure to rekindle confidence in the economy.

Our capacity to maintain these competitive gains and important targeted incentives periodically comes under threat from tax avoidance practices. We are, therefore, moving to tighten up tax enforcement rules to prevent the use of artificial business practices; anti-avoidance legislation will be introduced.

We are working hard to achieve tax fairness and leave as many hard-earned dollars as possible in the taxpayers' pockets to stimulate demand and investment right here in Manitoba.

STRENGTHENING OUR ECONOMY

Mr. Speaker, economic success today, tomorrow and in the future hinges on our ability to compete with the best in the world. Manitobans have proven they can do just that. Our agricultural products, including grains, oilseeds, red meats, poultry, potatoes and honey, often command a premium in international markets because of superior quality. Many of our manufacturers are very successful in export markets: If you buy a silk blouse in Saks Fifth Avenue in New York, or a lottery ticket in Spain, or French fries in Tokyo, or ride a bus in San Francisco, chances are it was produced right here in Manitoba.

The Unisys Canada computer plant in Winnipeg is an excellent illustration of how competitive Manitobans can be. It is now the only plant in the world manufacturing disc drives for Unisys computers. Just a few years ago it was one of 10 plants scattered around the world in places like Tennessee, California, Mexico and Singapore. In spite of much lower wage rates in some of those factories, the other nine were shut down and work moved here because Manitoba was building a more competitive product. How did this plant accomplish this feat? The answer is straightforward: superior employees, most of whom were educated in Manitoba.

Further evidence that Manitobans are ready and able to compete is found in the recent Statistics Canada survey of investment intentions. Private investment in Manitoba is expected to grow 7.4 percent in 1992—the second highest increase among the provinces. Manufacturing investment is expected to grow 31 percent—the best performance in the country.

ECONOMIC RENEWAL INITIATIVES

To thrive in this new, more competitive environment, we cannot be satisfied with past accomplishments. We must continually strive to be the best. As a government, we must champion better co-ordination and partnership among government, labour and the private sector. We are taking several steps to sharpen the economic development focus within government. We are proposing some targeted incentives to help accelerate business activity and strengthen economic renewal and job creation in our province. This forward-looking economic renewal package is intended to give investment in Manitoba an added boost during the recovery and build for the 21st century.

Refocusing Economic Development Activities

The new Economic Development Board of Cabinet, chaired by the Premier (Mr. Filmon), provides the leadership necessary to co-ordinate government-wide efforts for sustainable economic growth. The restructured Industry, Trade and Tourism department will emphasize strategic initiatives under a more project-oriented approach. Working with individual firms and groups of companies, the department will serve as a catalyst to create new development opportunities.

The overall budget for economic and resource development is set at \$604 million, up 6.3 percent.

Partnerships for Industrial Development

The new \$20-million Manitoba Industrial Recruitment Initiative Program gives focus to our efforts to stimulate expansion of Manitoba industry and to attract new business investments and jobs. The program will provide secured loans with forgiveness directly related to job creation.

The Crocus Investment Fund, established earlier this year, assists employees to assume an ownership role where they work. The Vision Capital Fund provides venture capital investment to help Manitobans with good ideas turn them into reality. The strengthened Manitoba Industrial Opportunities Program is encouraging companies to build on the advantages of investing in Manitoba.

Our ongoing commitment to the development of successful economic initiatives in rural Manitoba communities is strengthened in this budget. Over \$2 million has been allocated for Rural Economic Development Initiatives. This program, funded from revenue generated by video lottery terminals, will help communities upgrade local infrastructure and fund youth employment initiatives. The Grow Bond program helps rural communities intensify efforts to strengthen their local economies and create more jobs.

Manufacturing

Mr. Speaker, we are introducing a temporary 10 percent income tax credit for investment in new manufacturing and processing in Manitoba. This will encourage business to accelerate existing investment plans and to consider new investment opportunities in our province. We want to turn the good news on investment intentions into real investment and jobs in our province. The new credit will be available on investment in new buildings, machinery and equipment undertaken between budget night and June 30, 1993. This measure will give export-oriented industry added impetus to modernize and upgrade and become more competitive.

Technology

The Manitoba Economic Innovation and Technology Council will help foster industrial innovation and technological commercialization by developing partnerships among government,

business, labour and the research community. The Economic Innovation and Technology Fund, financed by a portion of the proceeds from the sale of Manitoba Data Services, focuses new resources in this important area.

To complement the efforts of the council and to further strengthen this vital activity in our province, a new Manitoba research and development tax credit will be introduced.

Export-Oriented Service Industries

Manitoba's central time zone, skilled labour force and good quality of life make the province a natural candidate for central office processing operations, especially in financial, shipping and communication services. That is why United Parcel Service is establishing Winnipeg as the hub for all its cross-border freight destined for western Canada.

To foster more activity in this growing area, I am pleased to announce a sales tax exemption for "800" numbers, and extension of the payroll training tax credit to include training programs delivered in export-oriented service industries.

* (1450)

Transportation

Transportation is a key to development and growth in our province. Jobs throughout the province depend on our ability to get products to market quickly and efficiently. We are acting to improve Manitoba's transportation network and to bring Manitoba's transportation taxes more in line with other provinces.

Investment in our highways network will be fully maintained in this budget. This investment in our vital transportation links will provide important jobs this year, with a longer-term payback in greater efficiency.

At the recent First Ministers' meetings on the economy, our Premier called on the federal government to increase its investment in asset-creating capital projects to stimulate employment and economic activity across the country. He referred specifically to a National Highways Program. Such a program would strengthen domestic and international trade links, improve highway safety and increase employment.

In my previous budgets, action was taken to help the trucking industry. Our on-road diesel fuel taxes are currently amongst the lowest in the country.

The rail industry is another important mainstay of our transportation sector. It is labouring under extremely high fuel taxes. Along with streamlining our method of collecting this tax, the railway locomotive fuel tax will be cut by one cent to 12.6 cents per litre, effective July 1, 1992.

The Winnipeg International Airport has tremendous growth potential, especially as a major hub for regional, national and international distribution. An increasing number of companies, including Federal Express, have signalled their interest in Winnipeg. To help foster growth in this fast-paced sector and create more jobs, the aviation fuel tax will be reduced by 0.8 cents to 5 cents per litre on July 1, 1992.

Mining

Mr. Speaker, we recognize the important contribution of mining to the economic activity of our province, including direct and service jobs and export earnings. We are determined to secure its future. The Manitoba Mineral Exploration Incentive Program, announced last year, is now operational. Further action will be taken in this budget. Exploration incentives allowed under the mining tax will be strengthened. The corporation capital tax on exploration costs will be eliminated. As an added step to help revitalize exploration and development of new mines in Manitoba, I am pleased to introduce a mining tax holiday. The holiday will permit companies to recover their full investment in new mines prior to the mining tax being applied.

Agriculture

Recent years have been very difficult for many farmers. Last year Manitoba farmers faced some of the lowest grain prices in two decades, aggravated by the international subsidy war. We will continue to stand with our farmers in these difficult times. Resources deployed through the Agriculture department will increase by \$23 million or 21 percent. The entire increase is needed to underwrite the provincial share of the Gross Revenue Insurance Plan and the Net Income Stabilization Account.

There is some encouraging news for the future, including renewed hope for a balanced resolution at the GATT talks. As well, for the first time in several years, there are some solid signs of improving conditions, especially for grain and oilseeds farmers. World supply is down and prices are

rising. The price of wheat on the spot market has climbed approximately 50 percent since last spring. Thanks to good crops in Canada and below-normal crops in some other countries, Canada's grain exports may reach a record high this year. In addition, the sharp decline in interest rates reduces the interest costs borne by farmers and contributes to an improved outlook.

Cross-Border Shopping

Cross-border shopping is providing added competition for consumers' dollars with over \$300 million leaving Manitoba annually. That translates into at least 2,000 lost jobs. We must take action to stem the growing cross-border shopping threat.

Federal collection of provincial taxes at border crossing points is essential to create a more level playing field for Manitoba businesses. The federal government has agreed to collect provincial tobacco and alcohol taxes at the border. We have also suggested that Ottawa begin collecting sales taxes at the border on a selected list of items currently taxed in all sales tax jurisdictions. We will not fight cross-border shopping by imposing new taxes on in-province purchases, particularly books and children's clothing, as initially suggested by the federal government.

My officials are also working with federal officials to streamline sales tax rebates to foreign tourists. We are hopeful that it will be possible to use a single administration for rebates of provincial as well as federal taxes later this year. This will help Manitoba businesses compete for the tourist dollar.

Environment

The government's emphasis on protecting the environment will be strengthened. New funding will be provided for environmental assessments and implementation of the Ozone Depleting Substances Act. Work is advancing on means of reducing harmful waste, including possible extension of environmental protection taxes to disposable diapers and tires. The government will ensure that all the revenue yielded through such environmental taxes is fully invested in planned measures to protect the environment. The Minister of Environment (Mr. Cummings) will be introducing the province's action plan later in this session.

The Manitoba Hazardous Waste Corporation is proceeding with the next steps toward the approval and development of a world-class facility for the safe

disposal of hazardous wastes in our province. This initiative will require a large capital investment and create jobs in the R.M. of Montcalm and surrounding district.

Capital Investment

Mr. Speaker, capital investment in permanent assets can and does play an important part in job creation. In 1992-93, the combined budgetary and nonbudgetary capital related programs of the government, the Crown corporations and other agencies will exceed \$1.1 billion. The investment will provide work opportunities for Manitobans and enhance needed infrastructure to support future growth. The nonbudgetary capital related programs totals \$812 million for the coming year, whereas the budgetary capital total is \$306 million, including \$38 million for education and training, \$57 million for health, and \$113 million for highway and road construction and upgrading.

PRIORITY SOCIAL PROGRAMS

This budget allocates \$3.5 billion for priority social programs, including increases of: \$101 million or 5.7 percent for Health, Mr. Speaker, I emphasize increase at three times the present rate of inflation; secondly, a \$51-million increase or 8.7 percent for Family Services, four times the rate of inflation; and increases totalling \$52 million or 5.5 percent for Education and Training, three times the rate of inflation.

Health

Reform of Manitoba's health care system must continue to enable service delivery to be maintained despite limited financial resources.

These reforms must be designed to better reflect patient needs and preferences while ensuring services are delivered in the most cost-effective manner possible. Services can be strengthened and costs contained by shifting toward services provided in the community where people live and work.

To support this strategic plan, major funding increases have been provided for both home care and personal care homes. In addition, the Manitoba Health Services Improvement Fund has been established to provide incentives to health care institutions which demonstrate improved quality and efficient services. Increases to the Health Services Development Fund provide further support for

proposals which demonstrate potential for significant health care reform. Budgets for health promotion, protection and disease prevention have also been increased, including funding targeted for substance abuse prevention.

* (1500)

Family Services

The Department of Family Services is proceeding with several new and expanded initiatives. An office of the children's advocate will be established to ensure that children in care are protected and well treated. Daycare operating grants are increased. The wife abuse shelter system and related services are enhanced. A \$40-million increase in the social assistance budget is focused on meeting the recession-induced needs of Manitobans and on improving supplementary benefits for the disabled by \$8 million.

Additional resources have also been provided in support of the justice system, especially for the Family Violence Court, shelters and for the implementation of native justice initiatives.

Education and Training

Significant increases have been provided in the Education and Training budget. Funding support for schools, including the new School Finance Program, is up 6.8 percent. Grants to the universities are up 3 percent. The introduction of \$2.5 million of new training programs at the province's community colleges, and the additional resources provided for the Workforce 2000 program, reflect a renewed focus on equipping students with skills more relevant to the marketplace.

Youth Employment

In the coming months, many young Manitobans will enter the job market for the first time. For a young person, getting a job and getting needed experience are challenging at the best of times. When prospects are limited, however, the challenge can be discouraging and daunting. In recognition of that fact, the CareerStart Program will be maintained. In addition, the province will complement its regular summer student employment program with a new Partners with Youth program to assist young Manitobans to create their own work opportunities—to earn, to learn and to contribute their energy and new ideas to their

communities. Projects under the Partners with Youth program will be cosponsored by businesses, local governments and nonprofit organizations. Details of the new program will be announced in the near future by the Ministers of Family Services; Rural Development; Industry, Trade and Tourism; and Culture, Heritage and Citizenship.

Mr. Speaker, in summary this government believes these increases, totalling \$204 million, for priority social programs are necessary and appropriate at this time. However, increases of this magnitude are simply not sustainable on a longer-term basis. Greater efficiencies will have to be found, otherwise the costs of these services will outstrip the ability of Manitoba taxpayers to finance them. The challenge in planning our budget for 1993-94, a year hence, is to reduce the cost of providing those services.

SUMMARY OF THE FISCAL PLAN

Economic conditions necessitated greater spending, especially in agriculture and social assistance. Reduced revenue growth made the task of maintaining government services more difficult. This budget provides increased government support where it is most needed. This is accomplished within a responsible fiscal network.

Mr. Speaker, last year I stated: "The government's fiscal plan continues our commitment to fiscal responsibility, despite the difficult circumstances of the Canadian recession. The lack of fiscal responsibility at both federal and provincial levels during, and especially after the last recession, resulted in an unprecedented legacy of debt and deficits and interest burdens which still plague governments in Canada. We cannot afford to repeat those mistakes."

We continue to believe we must be fiscally responsible.

Budgetary expenditure will be \$5.45 billion. An overall 4 percent growth in budgetary expenditure is a responsible level at this time, considering both need and our collective ability to pay.

Budgetary revenue will be \$5.12 billion, after a \$201 million draw on the Fiscal Stabilization Fund. Without the cash resources available in the Fiscal Stabilization Fund, revenue would be quite modest and the budgetary deficit for '92-93 would be at an unacceptable level.

The deficit will be held to \$330 million.

FISCAL STRATEGY FOR THE FUTURE

This budget is designed to bring us through the recession without the massive growth in deficits and debt which occurred in Manitoba in the early 1980s, and in some provincial jurisdictions during the current recession. For the medium- to longer-term, we must resume progress towards a balanced budget.

This will not be an easy task. It is made more difficult by the burden of interest on past debt, federal offloading and unilateral federal decisions on transfers.

In 1980-81, interest on the province's general purpose debt totalled \$79 million. Today interest costs are \$521 million. In 1980-81 public debt costs consumed 1.5 points of Manitoba's sales tax. Today, fully six points of Manitoba's sales tax points are required to finance past deficits.

Federal offloading has added to provincial expenditure, making spending control more difficult. The province is absorbing more than \$100 million annually in offloaded costs in agriculture under GRIP and NISA, in RCMP cost-sharing, unemployment insurance and other areas. Unilateral changes to federal financing for health and higher education since 1981 have impacted payments to Manitoba by \$250 million annually. As well, the province has to live with the federal freeze on per capita transfers for health and higher education until 1994-95, and reimposition of a ceiling on equalization for 1993-94.

Imagine the flexibility we would have if we did not have to spend most of the sales tax Manitobans pay just to carry the interest on past debt. Imagine the flexibility which would come with \$250 million more annually in federal transfers and \$100 million less in offloading.

But wishing cannot make it happen. No matter how much we might wish, the reality is that federal support will continue to be constrained, and we will have to continue paying interest on our inherited debt.

Manitobans do not want and cannot afford higher taxes. They want to protect vital public services. Deficits are not the answer. They add to future costs, squeezing out services and adding to tax burdens.

A return to stronger economic growth, low inflation and lower interest rates will help, but the problems

of debt and deficits will not be solved through economic growth alone.

As the economy recovers, the real test of our administration will be how vigilantly we control spending, not only for internal operations but also in provincial Crown corporations and agencies.

For 1993-94, current forecasts suggest revenue growth of under 2 percent. To hold the deficit at this year's level requires that overall growth in spending be limited to 1.5 percent.

Over the longer term, revenue tends to grow with economic growth, likely in the 5.5 percent range. In these circumstances, spending growth must be held to approximately 2 percent annually in order to reduce the deficit.

There are major rewards in following this course. The most important public programs can be maintained. Tax competitiveness can be assured. Investment and job opportunities can be realized, and we can move ahead toward a balanced budget and debt reduction.

This will demand a discipline which has not been widely practised in recent times. Again, expenditure growth must be held significantly below revenue growth; otherwise, the deficit will rise inexorably. We must not allow this to happen.

As I said earlier, Manitobans demand that their governments live within their means and provide services that taxpayers can afford. That requires balancing the budget and stopping the growth in debt. Success in achieving our fiscal targets will help assure Manitoba's economic prosperity and, therefore, its social progress.

Mr. Speaker, I am proud of the good start we have made. I am convinced Manitoba is ready for economic recovery. Manitobans are working together toward that recovery, and our government will continue to work with them every step of the way.

Thank you very much.

* (1510)

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, I move, seconded by the member for St. Johns (Ms. Wasylycia-Leis), that debate on the motion now be adjourned.

Motion agreed to.

* * *

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I move, seconded by the Minister of Environment (Mr. Cummings), that this House, at its next sitting, will resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to.

Mr. Manness: Mr. Speaker, I move, seconded by the Minister of Northern Affairs (Mr. Downey), that this House, at its next sitting, will resolve itself into a committee to consider of Ways and Means for raising of the Supply to be granted to Her Majesty.

Motion agreed to.

Messages

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I have two messages from His Honour the Lieutenant-Governor.

Mr. Speaker: Order, please. All members will please rise.

The Lieutenant-Governor transmits, to the Legislative Assembly of Manitoba, Estimates of sums required for the services of the province for capital expenditures and recommends these Estimates to the Legislative Assembly, dated March 11, 1992.

Also, the Lieutenant-Governor transmits, to the Legislative Assembly of Manitoba, Estimates of sums required for the services of the province for the fiscal year ending the 31st of March 1993, and recommends these Estimates to the Legislative Assembly, dated March 11, 1992.

Please be seated.

Mr. Manness: Mr. Speaker, I move, seconded by the Minister of Culture, Heritage and Citizenship (Mrs. Mitchelson), that the said messages together with the Estimates accompanying the same be referred to a Committee of Supply.

Motion agreed to.

Mr. Manness: Mr. Speaker, I move, seconded by the Minister of Highways and Transportation (Mr. Driedger), that this House do now adjourn.

Motion agreed to, and the House adjourned and stands adjourned until 1:30 p.m. tomorrow (Thursday).

Legislative Assembly of Manitoba

Wednesday, March 11, 1992

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