



**Fifth Session - Thirty-Fifth Legislature**

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**(Hansard)**

*Published under the  
authority of  
The Honourable Denis C. Rocan  
Speaker*



**Vol. XLIII No. 10 - 1:30 p.m., Wednesday, April 20, 1994**

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fifth Legislature**

**Members, Constituencies and Political Affiliation**

NAME	CONSTITUENCY	PARTY
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHOMIAK, Dave	Kildonan	NDP
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
GRAY, Avis	Crescentwood	Liberal
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
KOWALSKI, Gary	The Maples	Liberal
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MACKINTOSH, Gord	St. Johns	NDP
MALLOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCORMICK, Norma	Osborne	Liberal
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
ORCHARD, Donald, Hon.	Pembina	PC
PALLISTER, Brian	Portage la Prairie	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
ROBINSON, Eric	Rupertsland	NDP
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
SCHELLENBERG, Harry	Rossmere	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WOWCHUK, Rosann	Swan River	NDP

## LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 20, 1994

The House met at 1:30 p.m.

### PRAYERS

#### 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 from the Mennonite Collegiate Institute eighteen Grade 9 students under the direction of Ms. Crystal Martens.

This school is located in the constituency of the honourable member for Emerson (Mr. Penner).

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

### ROUTINE PROCEEDINGS

#### ORAL QUESTION PERIOD

##### Health Sciences Centre Chief Executive Nurse

**Mr. Dave Chomiak (Kildonan):** Mr. Speaker, I am sure the minister is aware that the proposed restructuring of the Health Sciences Centre has caused a great deal of concern, to say the least.

While no one wants to micromanage the hospital from this Legislature, is the minister not concerned that MARN, which is the professional and standards licensing body of the nurses, has expressed concerns that at Health Sciences Centre, in terms of the restructuring, a chief executive nurse ought to be maintained at Health Sciences, a chief executive nurse should represent nurses at the board and executive levels, nurses be involved in setting consistent patient nursing practice guidelines, and nurses be part of an ongoing analysis of the program and its impact on the quality of health care?

Can the minister outline what the government's position is with respect to this concern, as

expressed by the licensing and standards body of nurses?

**Hon. James McCrae (Minister of Health):** Mr. Speaker, over the years, the Health Sciences Centre has provided very important and quality health care services to Manitobans, and it is my full expectation that hospital and others in Manitoba will continue to do so.

That will be done with the help and input from nursing professionals, doctors and other health care providers and with full knowledge and awareness of the views of health care consumers.

**Mr. Chomiak:** Mr. Speaker, if the minister had received these types of concerns raised by the College of Physicians and Surgeons, or if he had had these concerns raised by the Law Society when he was Minister of Justice, would he have not immediately at least expressed an intention to look into the matters on behalf of the licensing and professional body?

**Mr. McCrae:** Mr. Speaker, I am mindful of the concern raised by the Manitoba Association of Registered Nurses, and I am sure the administration at Health Sciences Centre and other hospitals are taking into account the views and concerns of regulatory and professional organizations like the MARN in the making of their plans for the future.

**Mr. Chomiak:** Mr. Speaker, my final supplementary: Will the minister at least assure this House that he will look into the concerns raised by MARN, particularly those relating to standard of care, and perhaps meet with them to discuss this issue?

**Mr. McCrae:** Mr. Speaker, it has been my very great pleasure to meet on a frequent basis with representatives of the Manitoba Association of Registered Nurses as well as other regulatory and political organizations as we develop a sustainable,

quality health care system for all Manitobans for many, many generations to come.

\* (1335)

**Manitoba Telephone System—Brandon  
Job Relocation**

**Mr. Leonard Evans (Brandon East):** Mr. Speaker, this government has often boasted about its decentralization program, and now we learn that Brandon could lose as many as 15 technical jobs at the Manitoba Telephone System, with a payroll of \$575,000, because of a decision to close down the existing long distance toll switches in Brandon in September.

The option of locating new equipment in Brandon as well as Winnipeg was rejected in favour of centralization in Winnipeg.

How can the Minister of MTS justify the removal of jobs from Brandon in light of his government's professed policy of decentralization?

**Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act):** Mr. Speaker, the issue of having telecommunications jobs in Winnipeg or elsewhere in Manitoba applies to all types of positions.

That member, when over a hundred jobs were announced for Brandon from GWE, he spoke against it. He was not in favour of having an additional 115 jobs in Brandon by a private operation—new jobs.

Manitoba Telephone System has a mission of supplying quality service to Manitobans at the lowest possible price, and they are doing that in the process of managing their affairs, but that member spoke against over a hundred jobs being moved into Brandon by GWE.

**Mr. Leonard Evans:** Mr. Speaker, I did not speak against the jobs, I spoke against the waste of money and political advertising by this government and the fact that they gave \$600,000 when they are cutting back on home care.

Mr. Speaker, my question to the minister: Since he has confirmed that we are going to lose these

jobs, I would ask him: Would he really in his capacity as minister review this situation and have the decision reversed to allow an investment of new toll-switching equipment in Brandon to ensure that it will continue as it has over the years to be part of the long distance routing process, and let us keep those 15 jobs in Brandon?

**Mr. Findlay:** Mr. Speaker, I know that member would like to interfere in everything the Crown corporations do.

This government wants to allow the managers of those Crown corporations to operate and manage responsibly, and they are. That member will not agree with that, I know, as he did not agree to putting over a hundred jobs in his own city in Brandon.

I will not interfere with MTS trying to deliver the best quality service to its users in Manitoba at the lowest possible price, and I will not interfere with their management process, provided they are following that criteria.

**Mr. Leonard Evans:** Mr. Speaker, let us not hear any more about the sanctimonious decentralization policies of this government.

Can the minister tell us how many other jobs will be lost in the near future through the termination of other programs such as FRED, which is the emergency dispatch program? The local staff fear that another 25 jobs, with a payroll of \$839,000, will be lost within the next year because of continued cutbacks at MTS in Brandon.

**Mr. Findlay:** Mr. Speaker, if he wants to go into that kind of detail with the management, we will have a review of the annual report of Manitoba Telephone System in due course, and I ask him to raise all those questions at that time.

**Kali Shiva Society  
Funding**

**Ms. Norma McCormick (Osborne):** Mr. Speaker, my question is to the Minister of Health.

On February 28, 1994, I wrote to this minister with respect to a funding request to his department to secure the future of the Kali Shiva Society. Kali Shiva is an important community resource,

providing home care and support to people who are dying with AIDS.

This remarkable group of 80 volunteers, acting as part of a care team, are now providing care to 16 people. The budget of Kali Shiva is \$72,000, extremely modest considering they have provided support for half the people who have died of AIDS in this province.

Mr. Speaker, the request of this organization is for \$20,000. As of last evening, when this volunteer board met—

**Mr. Speaker:** Question, please.

**Ms. McCormick:** Mr. Speaker, will the minister please advise when he will respond to Kali Shiva?

\* (1340)

**Hon. James McCrae (Minister of Health):** Mr. Speaker, I met some time ago with the Kali Shiva Society and commended them for the work they do, extremely compassionate work they do, and very much of it volunteer.

They have asked the government for assistance, as have so many other organizations that just want to be of help and assistance. We want to be of help and assistance in every way that we can too, always recognizing the fiscal problems that we have and other governments have right across the country.

Even though I am not able to give a positive response to Kali Shiva's request at this time, I am very interested in continuing to see what they can do for their clients and the alleviation of suffering that they can bring, and there may be some other way in the future that the government might be able to help, Mr. Speaker.

**Ms. McCormick:** To the same minister, Mr. Speaker, Kali Shiva is having a hard time continuing in the face of such indecision.

Will the minister advise this House: What are the specifics and time lines of the consultation, and will the minister expedite the consultation to ensure that Kali Shiva, who want to participate, will in fact still be around to do so?

**Mr. McCrae:** Mr. Speaker, I do not think it is a question of indecision. I think in my first answer perhaps I was not as clear as I should be.

At this time, I do not see that we are able to assist Kali Shiva with a financial grant, but we will be interested to continue to see how Kali Shiva performs in helping its clients. Perhaps at some point in the future, we can address the matter again.

**Ms. McCormick:** Mr. Speaker, would the minister support an arrangement similar to the deal made between Seven Oaks Hospital and We Care for the discharge of terminally ill AIDS patients to their homes to the responsibility of volunteer care teams co-ordinated by Kali Shiva?

**Mr. McCrae:** Mr. Speaker, without knowing all the details of the honourable member's proposal, I would be interested in sitting down with her and discussing it.

#### **Royal Bank of Canada Main and Selkirk Branch Closure**

**Mr. George Hickes (Point Douglas):** Mr. Speaker, I have recently learned that the Royal Bank located at Main and Selkirk in the constituency of Point Douglas is planning to close its doors to the public in September of 1994. I have contacted the district manager and the manager for the Royal Bank, who have confirmed these plans.

Banking services have been available in this community for many, many years, and many of these long-standing customers of this branch are seniors and have limited access to transportation.

Mr. Speaker, will the Minister responsible for Seniors speak out for these long-standing customers and arrange to meet with representatives of the Royal Bank to see if there is a way to keep this branch operating at its present Main and Selkirk location?

**Hon. Gerald Ducharme (Minister responsible for Seniors):** Mr. Speaker, we know how important it is to have banking throughout the neighbourhoods. However, if the member across the way—it is the first I have heard about it—

would like to send me the correspondence in regard to this bank, I will look into the matter.

**Mr. Hickes:** Mr. Speaker, I think it is about time that the Minister for Seniors stood up on behalf of seniors in Manitoba.

If the minister is able to arrange this meeting with the bank, which he should, will he make sure that the rest of the community, the aboriginals, the seniors, the—[interjection]

**Mr. Speaker:** Order, please. The honourable member for Point Douglas, to finish with his question.

**Mr. Hickes:** Mr. Speaker, if the minister is able to arrange a meeting, will he ensure that the aboriginal community, the seniors, the community representatives are invited to that meeting to express their concerns?

**Mr. Ducharme:** First of all, Mr. Speaker, I would suggest to the member across the way that usually the banks in those types of jurisdictions are involving his federal people that he knows, and maybe he knows who the M.P. is in that area. I am not aware of who the M.P. is.

I must say that this Seniors Directorate that we have, unlike the previous administration when it was established in '88, was to stand up for seniors, and we have done that throughout the province of Manitoba.

**Mr. Hickes:** Because there are so many other services that are being moved out of the inner city, will the minister ensure that when he is at the meeting with the branches to inquire if there are further closures of more banks in the Point Douglas area?

**Mr. Ducharme:** Mr. Speaker, the member from across the way seems to want to blame banks for everything. He fails to realize, if you look through his notes, for the seniors the banks were very, very accommodating when we were going through the seniors financial abuse system in providing help with the video and help with dealing with seniors across Canada.

I suggest he go back and start reading some of the information that we have been putting forward.

I will provide him even with a video, showing the financial problems, that was contributed to and helped by the banks across Canada that saw that there were necessary conditions and help required.

\* (1345)

#### **Northern Airports Emergency Response Services**

**Hon. Gary Filmon (Premier):** Mr. Speaker, I believe it was Friday last that the member for Rupertsland (Mr. Robinson) asked a couple of questions of me which I took as notice and I am happy to respond to today.

The member asked if I would contact the federal government to request that the emergency response services at the Churchill airport not be discontinued as planned in light of the increase in activity occurring at the airport due to the reactivation of the rocket range and other pending initiatives in Churchill.

Apparently, Mr. Speaker, upon investigation, the question of the member for Rupertsland on this subject is based upon an unfounded rumour. We are advised by Transport Canada that there are currently no plans to either eliminate or reduce emergency response service at the Churchill airport or any other northern airport under federal administration.

There has been discussion in the past as to whether or not the three-minute response time standard applicable to all federal airport ERS is appropriate for more remote low-volume airports. However, there are no plans to change the standard for northern airports being considered at this time. If and when the plans to reduce ERS at northern airports are to be considered, the Manitoba government expects to be consulted by Transport Canada prior to any decision being made. There are no plans to reduce ERS at airports administered by Manitoba.

The second question that I took as notice, Mr. Speaker, was to request that the Minister of Highways and Transportation (Mr. Findlay) put on hold any planned reductions to northern airports in Manitoba.

Manitoba continues to operate its northern provincial airports with no basic change in policy, with efforts continually dedicated to providing improved emergency response services. For example, a new fire truck has been provided at the Norway House airport. Plans are also being developed for future upgrading of ERS training facilities to increase employee proficiency in this area.

The 1994-95 budget includes staffing reductions at five airports that include Berens River, St. Theresa Point, Gods Lake Narrows, York Landing and Island Lake, involving six janitorial and flight service positions. These staff have received written notice of their layoff date of April 28. The 17 other northern airports will not experience any staffing reductions. It is expected that these reductions will not adversely affect the airport services, including emergency response services.

The emergency response services training program will also not be affected and will continue to exceed Transport Canada's standards for training.

#### **Social Program Reductions Minister's Position**

**Mr. Conrad Santos (Broadway):** Mr. Speaker, my question is directed to the honourable Minister responsible for Seniors.

There is a well-known saying in our society and most other societies: To be silent means to consent. When this government cut basic social programs in this province, like health care, home care and Pharmacare, the honourable Minister responsible for Seniors has kept himself silent, making a public perception that he is consenting to all these cuts adversely affecting our senior citizens.

Can the honourable minister explain why he has been so silent when there was a cut in the Handi-Transit which adversely affected our handicapped and disabled senior citizens?

\* (1350)

**Hon. Gerald Ducharme (Minister responsible for Seniors):** Mr. Speaker, I do not respect the questions given to me by my friend across the way.

The Seniors Directorate has not been silent. The Seniors Directorate, through the process, day in and day out, is answering seniors' questions every day, dealing with the individual ministers along the way. We have just set up a committee to look into personal care homes. We have set up a committee and we have worked with senior abuse and elderly abuse across the province.

In regard to the Handi-Transit, Mr. Speaker, the Minister of Urban Affairs (Mrs. McIntosh) has on and on explained that we have increased the Urban Affairs grant by \$4 million in this particular year and that they could use that \$4 million to handle the shortfall that they have in Handi-Transit.

#### **Council on Aging Responsibility**

**Mr. Conrad Santos (Broadway):** My supplementary question then, Mr. Speaker, is: Can the honourable Minister responsible for Seniors explain why an organizational unit called the Council on Aging, which presently is with the Department of Health, is being transferred to the Seniors Directorate?

Can there be another reason other than some pre-election ploy that the Seniors Directorate is doing something for the seniors?

**Hon. Gerald Ducharme (Minister responsible for Seniors):** Mr. Speaker, I am surprised the member would even have to ask that.

The Council on Aging has always come under the platform of the Department of Health, years and years ago. They not only just handle health, they handle transportation, they handle everything that is dealing with seniors—pension plans, et cetera. It was the idea of the Seniors minister to have them come over so that we can have a better gauge on working with the different departments so that they continue to work throughout Manitoba.

It was the idea to enhance that particular Council on Aging board so that they have that message.

**Mr. Santos:** My final supplementary, Mr. Speaker, is: How much will this transfer cost and what good will it do? What change will it make for

those functions that were already being performed by the Council on Aging?

**Mr. Ducharme:** Mr. Speaker, the cost is absolutely no more than it was the year before.

The idea is to bring the Council on Aging under the umbrella of the Seniors minister. Day in and day out, they ask you to contact different ministers on what is going on in the Seniors Directorate. Now the Council on Aging will answer directly to the Minister responsible for Seniors.

### CN Rail

#### Safety Issues—Northern Manitoba

**Mr. Steve Ashton (Thompson):** Mr. Speaker, transportation is very important to northern Manitoba, and currently northerners are anxiously awaiting developments in three areas where the federal government is either looking directly at cuts or has currently implemented cuts.

I would like to ask the Minister of Highways and Transportation what the provincial position is in regard to these very serious cuts.

First of all, I would like to ask the Minister of Highways and Transportation if he has met with CN officials—I believe he recently had the opportunity to do so—and, if so, if he has raised the concern of the province over the major cuts that have taken place in terms of section crews in northern Manitoba. Many communities have had the entire section crews eliminated, Mr. Speaker, and there are very serious concerns about safety.

What action has the minister taken to raise this concern with CN?

**Hon. Glen Findlay (Minister of Highways and Transportation):** Mr. Speaker, yes, I have met with CN and raised the issue, and I am pleased to report that CN has given a commitment to me to maintain that line to Churchill, a very strong commitment, stronger than I have heard in the past.

They said that whatever decisions they will make will not affect service on that line or safety on the line.

**Mr. Ashton:** Mr. Speaker, I am surprised the minister would accept that, and I know that is the

line that Paul Tellier has been pushing. I recently received a letter.

I would like to ask the minister if he is satisfied that eliminating section crews in Thicket Portage, Pikwitonei, Ilford and many stops along the line will maintain safety when safety is already a concern.

There was recently a derailment, two years ago, and one of the factors there was lack of existing maintenance.

How can the minister be satisfied with these empty promises from CN?

**Mr. Findlay:** Mr. Speaker, I am sorry, but Mr. Tellier and CN are a very respected Crown corporation in this country. If they make a statement that they are going to respect safety and maintain the service, I have to accept that.

I can assure you, our department will be very cognizant and watching very carefully to be sure that the commitment they have made in terms of maintaining service and maintaining safety on that line is lived up to.

**Mr. Ashton:** Mr. Speaker, I would suggest the minister not accept those empty promises.

#### Thompson Airport Control Tower Closure

**Mr. Steve Ashton (Thompson):** I have a final question. It also relates to the same area in terms of transportation and safety, and it is in regard to the potential closure of the control tower in Thompson. The Department of Transport is currently reviewing that. There was a meeting held February 14. Many people are very concerned, many users, many people in the community, about this closure.

I would like to ask the minister if he has ever been with Transport Canada to raise the concern many have expressed about the potential impact on safety of this closure.

**Hon. Glen Findlay (Minister of Highways and Transportation):** Mr. Speaker, there are many airports in the North, some of which are maintained by the department, some by Transport



Canada, and the issue of safety is very prevalent for all of us.

I can assure the member, we have talked to them, we will continue to talk to them, and the issue of safety of the operation of that airport will be first and foremost in our minds.

\* (1355)

### **Greenway School Replacement**

**Mr. Paul Edwards (Leader of the Second Opposition):** Mr. Speaker, my question is for the Minister of Education.

Greenway School is a school located in the west end of Winnipeg, my constituency. For a number of years, all interested parties have recognized that that school needed either to be replaced or renovated. Approximately three years ago the parents' council at that school was advised by the Public Schools Finance Board that in fact they were No. 1 on the list for renovation or replacement. This particular debate has been going on for about, as I say, seven years.

I wonder if the Minister of Education can report or, if he does not have the materials here today, agree to report on the progress towards coming to a resolution at the Public Schools Finance Board about whether or not the parents in that area will get a new school for their children or a renovated school, keeping in mind of course their preference, which is a replaced school.

**Hon. Clayton Manness (Minister of Education and Training):** Mr. Speaker, from recollection it seems to me that a decision is coming very quickly. Maybe there will finally be an end to this discussion around this particular school.

I am led to believe that the school board finally has decided which of the two choices they would prefer to take with respect to either refurbishing the old school plus a build-on and/or building a whole new school.

I think that the school division, Winnipeg No. 1, has now chosen, and I can tell you that there are funds that have been set aside by the Public Schools Finance Board, I believe, in the '92-93

budget. Whether they are sufficient or not at this point in time I do not know, but certainly a significant amount of funding has been put aside for that school.

**Mr. Edwards:** Well, I am very pleased to hear that, Mr. Speaker. I know that there has been a lot of difficulty in dealing with the Winnipeg School Division No. 1 board, which has really sat on this for quite a long time.

**Mr. Speaker,** my further question to the minister: I am led to believe that in fact a comprehensive assessment has been done by the Public Schools Finance Board. Barbara McFarlane, Q.C., has indicated publicly that that is the case and that it will be coming to completion in the very near future. Those are her words.

I wonder if the Minister of Finance in fact has that comprehensive assessment. If he does have it, is he prepared to table it in the House so that the parents can also take a look at it?

**Mr. Manness:** Well, Mr. Speaker, I do not have that, and I do not know whether it has been past practice to table all of the assessments that have been done on all of the public school plants throughout the province, but I will take the question under advisement.

**Mr. Edwards:** Mr. Speaker, finally, for the minister on this issue: Will the minister, if in fact he finds that a comprehensive assessment has been completed, which I believe it has, agree today that whether or not that comprehensive assessment can be made public or not that there will be a discussion with the parents of that area? They are not pleased with the school board's response. It has been years and years of putting this off.

Will he make a commitment that the parents will be brought into this process? They have very clear views. They want a new school, and they want it as soon as possible.

**Mr. Manness:** Mr. Speaker, I do not know what it is the member is asking. The department is always prepared, and at times I know ministers past and indeed myself, in the short time that I have been in this position, have listened to community groups come forward with respect to their requests,

legitimate in most cases, as to how they would like to see or why they would like to see a school built now rather than in the future, but those final decisions are ultimately made, as you know, by the Public Schools Finance Board, in fairness to the process.

If the member is saying that he would like his constituents to have an opportunity to make a presentation to me, in essence outside of the Winnipeg School Division board, well, I am prepared to certainly listen to his constituents.

#### **Department of Highways—Selkirk Job Relocations**

**Mr. Gregory Dewar (Selkirk):** Mr. Speaker, my questions are for the Minister of Highways (Mr. Findlay).

Over the past number of years, we on this side of the House have been raising concerns about this government playing politics with public sector jobs in this province. We have seen cabinet ministers move jobs from one community to another to advance their own political fortunes—the Minister of Rural Development moving housing jobs from Swan River to Dauphin.

Our concerns, once again, have been expressed that this government is considering moving 25 Department of Highways jobs from Selkirk to Beausejour. The same minister, earlier in Question Period, said he would not politically interfere with the transferring of government jobs.

My question is to the Minister of Highways. Will he end the speculation and stand up in this Chamber today and categorically state that he will not allow those jobs to leave our community?

**Hon. Glen Findlay (Minister of Highways and Transportation):** The member wants to interfere with the management of, not in this case a Crown corporation, but the management of a department, Mr. Speaker. Pretty well all of what he put on the record were ill-founded statements and allegations.

Mr. Speaker, the department will manage the staff as they see fit to efficiently deliver the

services of road maintenance in the province of Manitoba.

**Mr. Dewar:** Mr. Speaker, my question is to the First Minister (Mr. Filmon) then.

Will he take some leadership and demand that these jobs remain in Selkirk?

\* (1400)

**Mr. Findlay:** Mr. Speaker, if there are questions about where staff are located—we have about 2,300 in the department—we will discuss it in Estimates. The budget will be tabled this afternoon, and the Estimates will follow. If that member wants to have the Highways Estimates first, he should request to his House leader.

#### **Transcona-Springfield School Division Parent-Teacher Days**

**Ms. Marianne Cerilli (Radisson):** Mr. Speaker, I have written a letter to the Minister of Education outlining some of the effects of the cuts on the classrooms in Transcona-Springfield School Division.

I would like to ask the minister if he does not think that parent-teacher days that help parents and teachers develop a relationship to consistently work with children are important in this province.

Will he make sure that the lack of professional development days does not affect parent-teacher interview time so that this co-operation and partnership between parents and teachers will be maintained?

**Hon. Clayton Manness (Minister of Education and Training):** Mr. Speaker, let me say, certainly the government senses that professional development days are important.

As a matter of fact, the very same formula that the member for Dauphin (Mr. Plohman) has been berating day after day when it was brought in by the member for Roblin-Russell (Mr. Derkach) had for the first time ever funding factors that were related to professional development days. That is the seriousness with which this government is taking that whole approach to development.

Mr. Speaker, as you can recall, when the government brought in Bill 22, we asked, basically, through that—and I dare say because of the power of this Legislature, 100,000 public sector employees were impacted, people who more or less draw their remuneration from the public purse.

There was one group in society, of course, who chose not to voluntarily be part of that and, of course, we then gave the employers, the local school division, an opportunity if they so chose to meet, to match their balance, to use the powers under Bill 22 to make it fair for everybody who draws funding from the public purse.

### Safety Issues

**Ms. Marianne Cerilli (Radisson):** Mr. Speaker, another area in the schools that is being affected is the safety of children. There is a problem with increased class sizes of chemistry laboratories, industrial arts programs, exceeding the ratio of staff to teacher which makes it safe.

Can the Minister of Education ensure that teacher and student safety is not being jeopardized by the cuts by overcrowding in these kinds of classrooms?

**Hon. Clayton Manness (Minister of Education and Training):** Mr. Speaker, as I stand here, I am quite certain that safety is not being impacted but, if it were, I am sure the Minister of Labour (Mr. Praznik) would know of it and, indeed, his officials would take action with respect to that issue immediately.

### Concordia Hospital Emergency Ward Status

**Mr. Harry Schellenberg (Rossmere):** Mr. Speaker, my question is to the Minister of Health (Mr. McCrae).

As we all know, the Concordia Hospital was front and centre in the September by-election. I received many phone calls not only over the patient backup in the hallways but over the fear that the emergency ward would be closed.

Could the minister give the long-range status of the emergency ward?

**Hon. James McCrae (Minister of Health):** Mr. Speaker, in the discussions we had the other day about emergency rooms in the city of Winnipeg, I neglected to mention that the projected statistics for 1993-94 show that overall emergency activity in that year declined by over 13,000 visits from the previous year. What we saw last weekend was a very, very busy weekend. We acknowledge that, but the fact is that our emergency rooms are, on the whole, facing less pressure than they were previously.

With respect to Concordia specifically, we can get together with the honourable member to provide the information he is looking for or take the question as notice and provide him with further information.

**Mr. Schellenberg:** Are any additional services going to be added to the emergency ward?

**Mr. McCrae:** I will be looking at the performance of the emergency services offered in the city of Winnipeg with the assistance of the Emergency Services Task Force that has done work on emergency services and, as decisions are made in the future about that, I will make them known to the honourable member.

I appreciate the approach the honourable member uses in asking his questions. They are nice and short.

### CT Scanning—Outpatient Services

**Mr. Harry Schellenberg (Rossmere):** The CAT scan was another issue of great concern to Rossmere residents. During the by-election, promises were made to fully implement the use of a CAT scan. When will outpatient services be in full use?

**Hon. James McCrae (Minister of Health):** Scanning services are available now, as I understand it, to Concordia Hospital to their inpatients, people who are admitted patients. Outpatients will be dealt with as we look at the continuing evolution of CAT scanning services in the city of Winnipeg. We now have all the hospitals working together and the scanning committee also giving advice about how best to

handle scanning services so that patients receive the best care we can possibly provide to them. I will keep the honourable member informed as developments change.

#### **Infrastructure Works Agreement Recreational Complex—Parkland Region**

**Mr. John Plohman (Dauphin):** Mr. Speaker, the infrastructure programs were—the first level of approvals took place a number of weeks ago. One of those projects that was not included was a major project for the Parkland region including, as applied for by the Town of Dauphin, the rural municipality as well as supported by a number of other groups, 36 agencies and communities in the Parkland region, a major recreation complex which would have shared funding by all three levels of government and private sources.

I want to ask the Minister of Rural Development, in light of the importance of this project to the Parkland and in light of the fact that the Southport Pool recreation program or proposal was approved, what the criteria are for recreation projects under this program and whether the proposal that has been made by the Parkland through the recreation complex meets those requirements.

**Hon. Leonard Derkach (Minister of Rural Development):** Mr. Speaker, I am pleased to respond to the question on the infrastructure program because, as is noted by many newspapers across Manitoba, the infrastructure program is certainly having a very positive impact on many of our communities throughout the province.

I should point out, though, that the criteria the advisory committee is currently working under are the criteria that were established when the agreement was signed between the federal government and the provincial government so, therefore, the advisory committee is working under that set of criteria, and they are the ones who are recommending which projects should proceed.

Now, during their examination of these projects, the advisory committee is certainly asking communities for more information and more

complete details on certain projects, and it is not one where we have any input as ministers.

I have received a copy of the proposal that was submitted by Dauphin. It is certainly one that is being supported by the municipalities around Dauphin and the various agencies, but I would suggest to the member for Dauphin that this is something that is being considered by the advisory committee, and we will await their recommendation on that project.

**Mr. Plohman:** Well, Mr. Speaker, I hope that the minister will be supporting that project.

\* (1410)

#### **Infrastructure Works Agreement Northern Manitoba**

**Mr. John Plohman (Dauphin):** I also want to ask the Premier, in light of the decision that was made by the Minister of Northern Affairs (Mr. Praznik) to refuse to provide information on the Northern Affairs communities projects and put them forward for consideration under the infrastructure program, which really, I can say, let down those communities who desperately need this kind of employment and projects, whether the Premier is assuring that Northern Association of Community Councils communities such as Waterhen, Rock Ridge, Meadow Portage, Camperville, Crane River, communities such as those will be considered in the next round of approvals for the infrastructure program.

**Hon. Gary Filmon (Premier):** Yes, I can assure the member for Dauphin that they will be considered, Mr. Speaker.

#### **Infrastructure Works Agreement Flin Flon Water Treatment Plant**

**Mr. Jerry Storie (Flin Flon):** Mr. Speaker, I appreciate hearing that assurance from the First Minister.

While the First Minister is in the mood to answer questions, perhaps he will indicate whether a proposal that was put forward by the City of Flin Flon for the upgrade of the water treatment plant, which followed as a result of the 1991 Environmental Impact Assessment, which

highlighted the fact that the primary treatment which occurs in Flin Flon is not acceptable—it does not meet current standards—will the First Minister (Mr. Filmon) and the Minister of Rural Development (Mr. Derkach) be recommending that this major project to improve the water quality in the Flin Flon area will be proceeding?

Because of the necessity of this project proceeding environmentally and because The Municipal Act prevents the City of Flin Flon currently from borrowing additional money to finance the project independently, will special consideration be given?

Will this important city in our province get the support that it deserves?

**Hon. Gary Filmon (Premier):** Mr. Speaker, the member knows full well that this government has done a considerable amount to recognize all of the areas of Manitoba, particularly the North.

Some \$55 million was put into the upgrade of the smelter in Flin Flon to ensure that there was the continued employment of thousands of people and the opportunity to strengthen the community. So we will certainly be reviewing all of the various applications.

As I have indicated before, the applications to the infrastructure program are almost three times as great in dollar volume as the amount of money that is available through the program, so priority choices have to be made, and certainly we will be part of, along with our partners, the municipal government and its representatives and the federal government and its representatives, the co-operative effort to try and ensure that we are as fair as possible in the decisions we make.

**Mr. Speaker:** Time for Oral Questions has expired.

Order, please. The hour being 2:12, I am going to be recessing the House till 2:30, but what I will do, at 2:29, I will ring the bells for a minute. We will have one minute's warning, and I will resume the Chair at 2:30. This will allow the gallery attendants an opportunity to clear out the galleries, and only the guests with a specially marked budget pass will be allowed to remain.

So I am recessing the House now till 2:30.

*The House recessed at 2:12 p.m.*

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#### After Recess

*The House resumed at 2:30 p.m.*

\* (1430)

**Hon. Eric Stefanson (Minister of Finance):** Mr. Speaker, I move, seconded by the Minister of Environment (Mr. Cummings), that this House approve in general the budgetary policy of the government.

**Motion presented.**

#### BUDGET ADDRESS

**Hon. Eric Stefanson (Minister of Finance):** Mr. Speaker, I am honoured to present our government's seventh budget to the Legislative Assembly and the people of Manitoba.

Founded on the aspirations, energy and enthusiasm of Manitobans and their families, this budget contains initiatives aimed at meeting today's challenges while continuing to build a strong and secure future.

Manitobans have a clearly defined set of goals and objectives for their lives and for their children's future. They want secure jobs. They want their children to have an education that will enable them to be successful in a highly competitive labour market. They want to be confident that our health care system and social safety net will be accessible and effective far into the future. They want a balanced budget free from mounting deficits which threaten vital human services. They want to be able to walk on their streets and in their neighbourhoods in safety and without fear.

These goals were expressed many times in many different ways during the round of public consultations undertaken before the final drafting of the budget. In Winnipeg, Brandon, and Thompson, in Portage la Prairie, Altona and Russell, Manitobans from all walks of life provided their perspectives on the challenges facing our province. But most importantly, they

provided their best advice on what can and should be done to meet those challenges.

It was not surprising for me to learn that so many Manitobans have the same concerns, have the same hopes and dreams, and want Manitoba to be even more than it is today. I value and respect their advice, and I thank them for it. It is reflected in the measures taken in this budget, and we will be strongly guided by it.

Mr. Speaker, our economic future is bright.

Manitobans have the entrepreneurial spirit, the work ethic, the skills, the infrastructure, and the diversified economic base necessary for a thriving economy with abundant jobs and investment opportunities.

Manitoba is a good place to live, to work and to invest, and we want to keep it that way.

We must continue to develop the skills of our people through training and education. We must maintain and improve our infrastructure. We must take advantage of new trading opportunities which arise from reductions in interprovincial trade barriers, and internationally, under the Free Trade Agreement, the North American Free Trade Agreement and the General Agreement on Tariffs and Trade. Our businesses are seizing all kinds of new opportunities, and that means new jobs for Manitobans and better prospects for consumers—greater variety and better prices.

The introduction of free trade with the United States in 1989 represented both a challenge and an opportunity to our businesses.

What did they do in face of this challenge? They rolled up their sleeves and set to work upgrading their processes and their products. As government, we helped by making our taxes more competitive and by providing assistance where it was most needed, through measures such as the Manitoba research and development tax credit and the Manitoba manufacturing investment tax credit.

Mr. Speaker, the results are impressive.

In the last five years, manufacturing investment in Manitoba averaged 53 percent higher than in the preceding five years. Private research and

development has more than doubled under our government. Since 1990, our exports to the United States have grown by 40 percent. In 1993, our rate of job creation was third best in Canada.

We now have many dynamic sectors producing goods and services that are competitive and increasingly successful in world markets. Manitoba companies like Boeing, Bristol Aerospace, Carnation, Ford New Holland/Versatile, Gemini Fashions, Kleysen Transport, Loewen Windows, McCain Foods, Motor Coach Industries, Nygard International, Pollard Security Printing, Reimer Express, Simplot and Western Glove are proof positive of our competitiveness in world markets.

There are many reasons for these successes. More and more, as potential investors consider our province they are attracted to Manitoba sites as locations for new and expanded operations. Fiscally responsible policies in Manitoba have created a positive economic climate. The obstacle of uncompetitive taxes has been removed, and business investment decisions are now based on our Manitoba Advantage. I would draw honourable members' attention to the special Manitoba Advantage budget paper enclosed with this address.

#### **Strengthening Our Economic Foundations**

Last year Premier Filmon released the Framework for Economic Growth which laid out a 10-point economic strategy emphasizing long-term commitment to fiscal management as the foundation of economic growth.

As the Premier wrote in the forward to the Framework for Economic Growth, "Economic growth is not the sole objective, but rather the means to several more important goals. Manitoba's ability to provide jobs, vital social services and a high quality of life can only be sustained through the creation of new wealth and industry."

Mr. Speaker, the 1994 Manitoba budget continues to make jobs and economic development the top priority.

Agriculture is a mainstay of the Manitoba economy and a major priority for our province.

In addition to working with the farm community to combat unfair trade harassment, our government has extended participation in the Gross Revenue Insurance Program beyond its March 31, 1996, expiry date.

As well, we are increasing our focus on agrifood processing and export opportunities. For example, support for the Crop Diversification Centre in Carberry and the Canola Council of Canada based in Winnipeg will ensure that farmers and processors are helped to diversify crop production and capture value-added processing opportunities.

Our government's commitment to the promotion of economic development and expanded services in rural Manitoba is strengthened with additional allocations from lotteries for rural economic programs and the continuation of the successful Grow Bonds Program. My colleague the Minister of Rural Development (Mr. Derkach) will direct lotteries funding to rural libraries to augment the funding provided by Culture, Heritage and Citizenship.

\* (1440)

Under the direction of my colleague the Minister of Culture, Heritage and Citizenship (Mr. Gilleshammer), the Community Places Program is being expanded to allow \$4.5 million in new projects that will improve facilities and create jobs throughout the province.

In 1994-95 the total provincial public sector capital program will top \$1 billion as investments by Manitoba Hydro, Manitoba Telephone and other provincial corporations and agencies will add \$682 million to the \$329 million provincial capital budget. The investment will create important jobs during the planning and construction phases, improve the overall efficiency of our economy, and lead to more long-term jobs for Manitobans.

Later this year the province, the federal government and the City of Winnipeg plan to sign a new five-year, \$75 million Winnipeg development agreement. All three partners are

committed to ensuring that the focus of the new agreement will be on key economic and labour force development priorities and on reinforcing, on a city-wide basis, Winnipeg's vital role in the provincial economy. The Minister of Urban Affairs (Mrs. McIntosh) will be joining her colleagues soon for an announcement on the start of public consultations on the design of a new agreement.

The Department of Industry, Trade and Tourism will continue its extensive work with many companies both in strategic sectors and traditional industries to facilitate new investment, expansion and job creation. We have seen a dramatic increase in opportunities for Manitoba, and these opportunities are being converted into thousands of new jobs and hundreds of millions of dollars in new investment.

Understanding that small business provides the vast majority of new jobs in the province, our government has worked hard to lever opportunities and provide economic stimulus. The Business Start program launched in 1990 is a case in point. This initiative has helped over 300 entrepreneurs start new businesses and create 940 new jobs. Approximately 40 percent of the new businesses are owned and operated by women, and 27 percent are in rural areas. The Business Start program has been so successful that we are extending it for a further two years. With \$1 million in loan guarantees, it is expected that 110 businesses will be started and 300 more jobs will be created each year.

My colleague the Minister of Industry, Trade and Tourism (Mr. Downey) will pursue an innovative, five-year pilot program to provide expansion capital for existing small businesses in the service and manufacturing sectors. The small business expansion fund would involve a partnership of financial institutions, entrepreneurs and the provincial government.

Long before the current federal government was elected, Manitoba was lobbying for a national infrastructure program that would create jobs and spark economic development. This is why we were among the first provinces to enter into an

Infrastructure Works Agreement after the new federal government announced its commitment.

The agreement provides for \$205 million in investment in a regionally diversified set of projects throughout the province over the next two years. In co-operation with the federal and municipal governments, we are also striking a balance between longer-term strategic initiatives and traditional infrastructure thrusts, maximizing long-term benefits for our province.

I am particularly pleased to note that Manitoba was the first province to have a large block of projects approved. Work will start in the near future.

Initial project approvals will generate more than 2,300 jobs during construction, and the legacy of stronger economic infrastructure for the future.

Manitoba is financing our \$68 million participation through a special allocation from lotteries funds. This ensures that Manitoba's commitment is new money and will not raise the province's deficit or reduce resources committed to programs.

The substantial \$33 million rural gasification project under the infrastructure initiative will help communities outside Winnipeg gain access to economical natural gas. This will reduce home heating costs and, perhaps more importantly, provide a new magnet to attract industry and new economic opportunities.

#### **Fair and Competitive Taxes**

Mr. Speaker, we have worked hard since 1988 to turn a hostile tax regime into one of the fairest and most competitive in the country.

None of our major tax rates, the personal income tax, the corporation income tax, nor the retail sales tax, has been increased since this government took office. No other Canadian province can boast of a freeze on major tax rates over the last six years.

Manitoba's basic rate of personal income tax was actually reduced starting in 1989, and targeted reductions for families with children were introduced at the same time. Only two other

provinces have reduced their personal income tax rates since 1987.

Manitoba's marginal rate of personal income tax is now the third lowest after having been the highest in Canada in 1987. This is a dramatic turnaround.

Manitoba's retail sales tax rate is the lowest of any province which levies sales tax.

The payroll tax burden has been reduced through increases in the exemption level and a training tax credit introduced in 1991. Fully 90 percent of all Manitoba businesses are now exempt from the payroll tax.

Manitoba families are major beneficiaries of these policies. Earlier this month, Statistics Canada reported that family income after taxes in Manitoba recorded the strongest growth in Canada for 1992. At 7.8 percent, Manitoba's growth was four times the national increase.

As well, the Conference Board of Canada expects personal disposable income in 1994 to increase by \$435 for every man, woman and child in Manitoba.

I am confident that our improved tax competitiveness, in combination with falling trade barriers and the fundamental strengths of the Manitoba economy, will underpin a significant expansion of our economy and create more jobs for Manitobans over the next decade.

Mr. Speaker, I am pleased to announce that the longest-running tax freeze in Canada will continue. Again this year, there will be no increase in major Manitoba tax rates. There will be:

No increase in personal or corporation income taxes;

No increase in the sales tax; and

No increase in payroll or capital tax rates.

We will continue to take whatever actions are required to ensure Manitoba's taxes remain competitive.

#### **Targeted Incentives**

Mr. Speaker, in addition to continuing a tax freeze that is the envy of every government in



Canada, this budget also provides a series of targeted tax cuts and various incentives. These measures are aimed at helping people and encouraging business to create more jobs.

### **Housing**

Over the past six years our government has placed a high priority on supporting the needs and aspirations of Manitoba families. We are committed to continuing this priority emphasis throughout 1994, the International Year of the Family. We support utilization of registered retirement savings plan funds, sheltered from provincial and federal income taxes, to assist first-time homebuyers.

Mr. Speaker, to further assist families and to create more jobs in the construction industry, I am announcing a sales tax rebate program for all new homes purchased by first-time buyers between budget day and March 31, 1995. To focus the benefits of this relief, the maximum rebate will be \$2,500, which is sufficient to cover the full sales tax on a typical \$100,000 home. We are confident this will help build further on the recent strength in the housing sector.

In addition, a special one-year \$10 million program will assist Manitobans to renovate and upgrade their homes. Grant assistance of \$1,000 will be available for projects focused on structural improvements to older homes currently valued up to \$100,000. The program is intended to help Manitoba families renovate their homes, give the renovation industry a timely boost and enhance employment prospects for Manitobans.

As a further measure of assistance to lower-income homeowners, Manitoba home renovation program grants will be extended to Residential Rehabilitation Assistance Program projects where the net costs to homeowners exceed \$5,000.

\* (1450)

An estimated 600 jobs will be created and maintained as a result of these initiatives.

### **Transportation**

Transportation plays a vital role in our economy, both in bringing Manitoba products to expanding markets throughout North America and elsewhere, and in bringing competitively priced products to our markets.

We will, therefore, bring the railway diesel fuel tax rate more in line with other provinces with a phased reduction of 3.156 per litre.

As well, Manitoba truckers will retain the benefits of the second-lowest diesel fuel tax rate among the provinces.

These measures, along with the transportation component of the Infrastructure Works Agreement, will strengthen our position as an international hub for road, rail and air transportation.

### **Manufacturing**

Manufacturing companies have worked hard to modernize and become more innovative and competitive, assisted by such measures as the Manitoba research and development tax credit and the Manitoba manufacturing tax credit which is scheduled to expire June 30, 1994.

Mr. Speaker, to encourage continued growth and expansion of this vital sector, the following measures will be undertaken:

The manufacturing investment tax credit will be extended to June 30, 1995;

The sales tax exemption for direct agents used in manufacturing will be broadened to assist smaller manufacturers; and

Sales tax on electricity used in mining and manufacturing will be phased out to further enhance the great Manitoba Advantage of fully renewable and environmentally friendly hydroelectric power. Our aim is to use that great resource even more aggressively to create additional investment and jobs for Manitobans, especially in mining and processing in the North, and in manufacturing.

### **Small Business**

Mr. Speaker, earlier I referred to the high priority given to small business in Manitoba. It is the true backbone of our economy and consistently ranks as one of our most effective creators of jobs.

In previous budgets, we acted to eliminate the payroll tax on jobs for small business. Today, to further assist small business expansion and job creation, we will take the following action:

The small business capital tax exemption will be doubled to \$2 million. As a result, some 600 additional small businesses will no longer pay this tax.

As well, the small business corporation income tax rate will be cut from 10 percent to 9.5 percent for 1994, and to 9 percent in 1995.

### **Reducing Red Tape**

Business regulation is another crucial issue, especially for small businesses. Throughout the prebudget consultations, we were told to address the problems and inefficiencies created by unnecessary regulations.

We are responding to this concern with the creation of the Advisory Panel on Business Regulations. Along with Manitoba businesses, we are waiting with interest for the panel's report in June. We are committed to making regulations "smarter," to help ensure Manitoba continues to have one of the best economic climates in North America.

### **Mining**

Our vast and rich mineral deposits have always been among Manitoba's great assets. In the past, mining activity has been inhibited by an onerous tax structure. In previous budgets we took steps to foster exploration in the province, including the successful Manitoba Mineral Exploration Incentive Program. We have created a more hospitable regulatory and taxation environment. My colleague the Minister of Energy and Mines (Mr. Orchard) informs me that these initiatives are succeeding.

Mining claims and oil exploration have increased dramatically. New mines are opening,

and the potential of a number of promising sites is encouraging. One of the largest and most significant is in the Williams Lake area where successful exploration activity identified a new world-class nickel deposit for the province.

To encourage translation of these and other prospects into quality jobs for northern Manitoba, I am announcing a new mining investment tax credit. The credit will allow up to 7 percent of investment in a new mine or major expansion of an existing mine as a deduction from mining taxes. It is effective from midnight tonight until December 31, 2003.

As well, to encourage additional mineral processing and to further spur job creation, the processing allowance under the mining tax will be doubled to 20 percent for new facilities or major expansions.

We are clearly taking aggressive and effective action to build on one of our greatest strengths, our natural resources.

### **Tobacco Taxes**

The federal decision to lower tobacco taxes in a discriminatory manner, and the parallel cuts by eastern provinces have created the potential for east-west movement of contraband tobacco and additional problems for western provinces.

I fully share the concerns of many Manitobans who urged our government not to cut tobacco taxes. Lower tobacco taxes would send the wrong message to our young people and place an added financial strain on our health care system.

We, therefore, remain firmly committed to maintaining our current level of tobacco taxes by using improved enforcement to deal with the new pressures. We have asked for full federal co-operation in dealing with what is clearly a federally created problem.

I am very pleased with the active co-operation and financial support received from all the western provinces on this issue. We believe a strong and united approach to this difficult problem through such initiatives as increased information sharing among provinces, stiffer fines and penalties,

marked tobacco product requirements and other related enforcement provisions will greatly reduce opportunities for smuggling cigarettes into western Canada.

### **Priority Human Services**

Mr. Speaker, a well-rounded and solidly based education, a high-quality and accessible health care system, and a reliable social safety net are key components in the kind of life Manitobans want for themselves and their children.

Our government will continue to reflect these values through program enhancements in key human service areas.

Health, Education and Training, and Family Services account for 72 cents of every dollar of program spending this year. In fact, of the entire \$1.1 billion increase in program spending since 1987, over \$1 billion, or 92 percent, has been devoted to these priorities.

### **Education and Training**

Mr. Speaker, we will continue to refocus education and training to meet our most important objective—equipping our citizens with the skills necessary to compete successfully in today's world.

To ensure all Manitobans have comparable access to education, we will expand distance education opportunities. Several more school divisions will offer distance education services this fall, and by the 1995 school year a province-wide system involving interactive television, video conferencing and library access is expected to be in place.

Consultations with all partners in education will emphasize ways to ensure that students meet higher measurable standards. My colleague the Minister of Education and Training (Mr. Manness) will hold a Parents Forum on Education at the end of this month, providing parents a unique opportunity for direct input in setting education priorities and establishing new directions.

One of the major themes of the University Education Review Commission earlier this year

was better use of post-secondary resources and skills-building programs for Manitobans.

Consistent with the report, all skills-training initiatives have been consolidated, apprenticeship training is being revitalized, and the successful Workforce 2000 program is being continued.

Youth initiatives such as CareerStart, Partners with Youth, and the REDI youth programs are being sustained.

We have approached the federal government regarding their possible participation in a tax credit savings plan to encourage Manitobans to secure skills training essential in a changing economy.

The community colleges budget will increase 3.3 percent to build on their success in enhanced technical and vocational training.

Universities will be asked to focus their activities more effectively. University operating funding will be reduced by 2.7 percent this year, while capital funding will be increased by two-thirds, from \$6 million to \$10 million. Once again, tuition fee increases will be limited to 5 percent.

### **Welfare To Work**

Mr. Speaker, this budget also places new emphasis on measures geared to improving self-reliance rather than fostering dependency. Priority is being maintained on providing social assistance where it is truly needed.

\* (1500)

Welfare to work and skills upgrading thrusts in this budget will meet the needs of individuals and families for adequate incomes while providing them with real hope and opportunity for their future.

The departments of Family Services and Education and Training are earmarking \$3 million for specific pilot projects. Given the federal government's position on pilot project funding, we look forward to their participation. In addition, we will participate with the City of Winnipeg and the federal government in a \$10 million welfare-to-work initiative under the Infrastructure Works Agreement.

### **Health and Wellness**

Mr. Speaker, this budget invests \$1.85 billion in health initiatives for Manitobans. There is a consistent emphasis on redirection of resources to community-based care and illness prevention.

While my colleague the Minister of Health (Mr. McCrae) will be providing full details during the Estimates review, I would like to highlight a few items:

Home care receives an additional \$2.6 million and includes service improvements through expansion of self-managed home care in rural and northern Manitoba, and establishment of an appeal panel and an advisory committee.

Support services for seniors will be enhanced through a special \$500,000 allocation from the Healthy Communities Development budget.

Regulated midwifery will be introduced as an important component in a comprehensive obstetrical services plan.

Breast cancer and cervical cancer screening programs will be enhanced.

Funding for dialysis treatment will be increased by \$2.4 million, bringing the service closer to patients.

Increased funding of \$1.3 million will be available for bone marrow transplants.

Establishment of Manitoba's first lung transplant pilot program means Manitobans no longer need to leave the province for this vital service.

Pharmacare receives an additional \$5.6 million, and the new Drug Program Information Network (DPIN) system will help avoid adverse drug reactions and overprescribing. The new DPIN will also process Pharmacare benefits automatically for Manitobans at the same time as prescriptions are filled.

Community-based mental health services receive an additional \$4.3 million.

Adult daycare spaces will be increased throughout Manitoba.

The new five-year agreement with the Manitoba Medical Association provides a framework for

co-operatively managing overall doctors' fees and improving access to services in rural areas.

Our continuing objective is to modernize government so that it provides the services Manitobans want and need on a basis that is sustainable and affordable to taxpayers.

### **Meeting the Fiscal Challenge**

Since our election to office in 1988, our government has worked to bring the cost of government, that is taxes, within reasonable levels for Manitobans.

We have brought new thinking to government decision making, putting the concerns of Manitobans front and centre. We have emphasized internal reform, affordability and realistic expectations in public sector compensation. The results are becoming very evident.

This year, Dominion Bond Rating Service cited Manitoba as being "the most fiscally responsible province in Canada 1987 to present." Much of the credit should go to my predecessor, the honourable member for Morris (Mr. Manness). On behalf of my colleagues and all Manitobans, I would like to formally and publicly thank him for his excellent leadership, foresight and dedication.

When our government took office in 1988, Manitoba was facing a serious challenge—the burden created by a long period of high deficits, high taxes, unchecked government spending and almost \$4 billion of new debt piled up from fiscal 1982 through fiscal 1988.

Manitobans know there are going to be deficits during and just after recessions due to sharp revenue declines. But they are critical of past governments which, despite periods of strong economic growth in the last 20 years, ran deficits anyway.

By far, the bulk of our current debt problem is attributable to the series of huge deficits accumulated between 1982 and 1988. In that period, Manitoba's general purpose government debt increased by an average of 24 percent per year.

Think of it. Imagine your own debts rising by 24 percent each year. Manitobans are still paying for those excesses through higher debt and higher interest payments. In 1981, Manitoba's interest costs were about equal to the combined spending of just two medium-sized departments: Natural Resources and Northern Affairs. Last year, interest costs exceeded the combined spending of the departments of Natural Resources, Northern Affairs, Agriculture, Highways and Transportation, Industry, Trade and Tourism, Energy and Mines, Environment, Labour, and Consumer and Corporate Affairs.

The problem is obvious. We are spending large sums of money each year on interest costs, \$500 for every man, woman and child in Manitoba, and this money provides no current program benefits or services to Manitobans. Without the inherited debt, every tax dollar would provide current services to Manitobans, and we would have both a balanced budget and lower taxes.

The Dominion Bond Rating Service put it succinctly, stating: "High cumulative deficits in the 1981 to 1988 period are the main reason interest costs are so high today."

In our homes, each of us knows that one disadvantage of borrowing is that we must repay both the original debt and the interest payments on the borrowed money.

For government, there is a further disadvantage. People, especially those people who make investment decisions, know that if government is borrowing heavily today, it is going to have to raise taxes sooner or later to pay the accumulated debt and associated interest. And when taxes are too high, people think about living and investing elsewhere.

That is why putting the province's fiscal house in order is the foundation of Manitoba's economic progress. By controlling government spending and keeping taxes down, we have been able to create the kind of positive climate that attracts investment, encourages expansion and creates jobs.

### **Entrepreneurship in Government**

Mr. Speaker, important actions have been taken to reduce the cost of government. An increased emphasis on innovation and entrepreneurship is playing a key role.

Our government has instituted a service and management improvement initiative, building on the capabilities and dedication of our public service. This initiative, employing the ideas of civil servants themselves, will enhance service and reduce the costs of government.

Our government has had success in bringing greater pride and performance to specific services through the introduction of special operating agencies. The Fleet Vehicles agency and the Materials Distribution agency in the Department of Government Services were the first two such agencies created at the provincial level in Canada. As a result, transportation needs are being met with 500 fewer vehicles than in 1987 and annual savings of close to \$3 million.

Based on our experience to date, we are establishing another two new agencies this year: the organization and staff development branch of the Civil Service Commission and the Vital Statistics branch of Consumer and Corporate Affairs. Both agencies are expected to operate utilizing their own revenue sources without government subsidy. Manitoba has become recognized as an innovator in this area, and other provinces are following our success with interest.

\* (1510)

Overlap and duplication among government departments is being reduced. Every department used to have its own personnel and payroll branch. This year, sharing of personnel functions is being implemented with savings expected to exceed \$1 million.

Administration and finance functions in the Housing and Urban Affairs departments have been consolidated.

Internal audit resources have been merged to better serve all of government. As part of its mandate, "value for money" audits will be

performed to help measure the effectiveness of government programs.

The environmental chemistry services currently provided by Ward Laboratory in the Department of Environment and Cadham Laboratory in the Department of Health are being consolidated as the Environmental Sciences Centre in the Economic Innovation and Technology Council.

Management has been delayed, unnecessary functions reduced and eliminated. In this budget, further streamlining will reduce the staff complement by 393 positions.

We have worked hard to provide job openings for displaced employees through incentives for voluntary separations and aggressive redeployment efforts. As a result, we have held the number of individuals receiving layoff notices to 41, and we are confident the number of people actually displaced at the end of April will be further reduced.

The introduction of the reduced workweek program saved nearly \$20 million in 1993-94 and approximately 500 jobs. The spirit of dedication exhibited by our employees has been a tribute to their commitment to public service. The program is being extended for 1994-95 with similar positive results anticipated.

Government's overtime bill for 1993-94 has been reduced by nearly \$3 million or 35 percent from the year previous.

We have divested ourselves of operations which need not be part of government. These include Manfor, ManOil, Manitoba Data Services, soil testing and feed analysis labs, veterinary drug and semen centres, an agricultural extension centre and the highways sign shop. The Queen's Printer in-house printing operations were closed when it became clear that private printers could meet government's need at a lower cost.

Full-cost recovery has been implemented for services and costs such as occupancy, postal services and internal legal services which are provided by one government department to another. This provides an incentive for more careful use of such services. Rational decision

making requires that the full costs of government activity be recognized in each department's own budget. This year, for the first time, employee benefit costs will be allocated to each department's budget.

Our managers found they could save \$2.2 million over the last two years by reducing the amount of rented space they were using.

Manitoba Hydro and Manitoba Telephone System will begin paying capital tax. The change will put these utilities on a level playing field with their competitors, which have always been liable for this tax, and move Manitoba's practice more in line with other provinces which levy a capital tax.

Particular problem areas have been turned around. The Workers Compensation Board is a good example. Despite average assessment increases of 20 percent annually from 1983 to 1988, the board accumulated unfunded liabilities of \$232 million. Since then, the liabilities have been reduced to \$76 million, while the average assessment rates have been held constant, and service has been improved significantly.

Manitoba will host the 1994 Western Premiers' Conference in mid-May in Gimli. One of the most important priorities for that conference will be the extension of co-operative initiatives by the western and territorial governments. For example, we are looking at opportunities with Saskatchewan to co-operatively manage forest fire suppression and related operations.

### **The Need For A Stronger Canadian Partnership**

Mr. Speaker, we welcome the new federal government's commitment to co-operation with the provinces and to predictability and adequacy in federal transfer arrangements.

Clearly, there is much work to do. Federal decisions since 1982 now cost Manitoba in excess of \$300 million annually in transfers and a further \$200 million in provincial program costs through offloading of other federal program responsibilities.

Federal transfers designated for the critical areas of health and higher education have fallen from 52 percent to 35 percent of program costs. Had the provincial government restricted its commitment to health and higher education in line with these federal transfers, hospitals, health care, universities and colleges today would face a \$700 million, or 30 percent, reduction in their budgets. It is through provincial cushioning of the federal offloading that commitments have been maintained at higher levels.

While we are pleased that equalization arrangements have been renewed for a further five years, we have specific concerns in some important areas.

Despite our strenuous objections, the federal government has reduced the ceiling on equalization to a record low share of Canada's gross national product. The old ceiling has already cost Manitoba \$300 million, and the potential impacts of the new ceiling remain a serious concern.

We are enthusiastic participants in the work now proceeding on eliminating unnecessary overlap and duplication between federal and provincial governments. Successes in this area can ensure better public services at lower cost to taxpayers. The objective must be to lower our combined debt and deficits, not merely to shift the problem from one jurisdiction to another.

The federal government has responded to provincial calls for joint efforts to refocus Canada's social security system. Governments must work together to rationalize the myriad of existing programs and meet the needs of Canadians more effectively and at lower cost. However, we remain concerned that provinces may be left unfairly at risk if the program savings are not realized and Ottawa proceeds with more unilateral reductions in transfers.

A parliamentary committee on the GST is currently receiving submissions from Canadians on ideas to deal with the sales tax. Manitoba is looking forward to the committee's report and to the commencement of ministerial discussions on

ways to improve Canada's tax structure. Manitoba's objectives in the discussions will include fairness for consumers and businesses.

Western Premiers and Finance ministers have suggested that the idea of an independent tax revenue agency for all federal and provincial taxes warrants careful attention. Such an agency could make revenue collection more effective and reduce duplication of administrative and compliance requirements.

I would also reaffirm Manitoba's support for the development of aboriginal self-government to the extent possible within the current Canadian Constitution. Too often in the past, along with the aboriginal community, we have witnessed the abrogation of many federal responsibilities both on and off Indian reserves in Manitoba. For aboriginal government to succeed, Ottawa must live up to its responsibilities to aboriginal peoples while co-operatively developing viable options for the future. This must be the paramount objective of the recently announced federal initiative.

I have outlined a number of areas which hold promise for major benefits but in which Manitoba also has major concerns. If these concerns can be addressed in a meaningful way, federal-provincial relations can begin a new era of co-operation and greater harmony.

#### Lotteries

Mr. Speaker, this year we will be dedicating \$124 million of lotteries revenue to support program expenditure. This includes \$24 million for first-year costs of the province's one-third contribution under the Infrastructure Works Agreement. Also included is the financial support provided to rural communities and the City of Winnipeg from the operation of video lottery terminals (VLTs). Ten percent of VLT revenue will be granted unconditionally to both rural communities and Winnipeg. A further 25 percent of VLT revenue will be used for economic development initiatives in Winnipeg and rural Manitoba.

\* (1520)

For rural Manitoba, this means that \$4 million will be paid in unconditional grants to rural communities, and \$10 million will be used to fund the already established rural economic development programs.

As well, \$4 million of VLT revenue will be paid unconditionally to the City of Winnipeg. A further \$10 million will be allocated for economic development initiatives in Winnipeg. Some of the projects that have already been identified include provincial contributions toward a portion of the operating costs of the Winnipeg Convention Centre, Winnipeg 2000 and Tourism Winnipeg. The province will consider other initiatives as the year progresses.

Mr. Speaker, we will direct \$90 million of lotteries revenue toward deficit reduction to protect priority social programs. This is part of our fiscal plan and contributes to the stability of funding for health, education and family services.

### **Fiscal Summary**

Mr. Speaker, our government has worked hard to ensure that priority public programs remain affordable and accessible to Manitobans and their families. That is why with this budget we have held taxes steady for seven years while working continuously to make government serve the people at lower cost.

For 1993-94 the forecast deficit is \$461 million, \$94 million higher than originally budgeted. The main factors in the projected deficit increase were unexpected reductions in federal transfer payments resulting from weaker economic performance especially in central Canada, and higher debt service costs as a result of a weaker Canadian dollar. An additional \$50 million draw from lotteries will help cushion the impact of these two unforeseen events. Program spending in 1993-94 was kept on track despite unanticipated pressures related to summer flooding and social assistance caseloads.

In 1994-95 we will follow the fiscal plan presented last year which called for a further reduction of 1 percent in overall program

spending. I am pleased that this has been achieved without jeopardizing priority social programs.

By bringing government spending under control, we have positioned ourselves to achieve a fully balanced budget quickly, as the economic recovery strengthens, and revenue growth returns to more normal levels.

In 1994-95 we will secure an \$18 million operating surplus. This is the measure many governments use to describe a balanced budget.

The operating surplus means that Manitoba has sufficient revenue to pay for its current program expenditure and its public debt costs. Only capital expenditure, permanent infrastructure such as highways and other lasting assets, are being financed from the budgetary deficit this year. The budgetary deficit, including capital expenditure, will be \$296 million.

A further measure of our progress toward eliminating the deficit is the \$165 million or 35.8 percent decline in the budgetary deficit for 1994-95. This comes on top of the \$105 million decline in 1993-94 compared to 1992-93.

Over the past six years the deficit has averaged \$320 million annually, or about 1.3 percent of provincial gross domestic product. This percentage is the lowest in Canada. By this measure, Manitoba has the best record of fiscal management among the provinces.

### **Balanced Budget**

Mr. Speaker, eliminating the deficit is one of the most significant tasks our government has ever undertaken. I am pleased that we are on track to a balanced budget. Evidence of that progress is contained in this budget's achievement of an operating surplus for the current fiscal year.

The government has charted its way forward from 1994-95 based on modest annual revenue growth of about 3 percent.

The deficit will be eliminated and a balanced budget will be achieved on target in 1996-97 without any tax increases or any further reductions in overall program spending.

The rewards of this fiscal strategy are before us:



lower taxes;  
 more income left in the pockets of Manitoba families;  
 more jobs and a stronger economy;  
 affordable and accessible public programs; and  
 a balanced budget.

In 1997-98, a projected surplus of \$150 million will be available. This means much greater flexibility. Manitobans will have the leeway to choose to pay down the debt or reduce taxes.

While we continue to follow our fiscal plan into the future, I believe it is also important that all Manitobans realize how much they have accomplished to date.

#### Conclusion

Mr. Speaker, seven years ago we began the task of modernizing government to put the concerns of our citizens first. Fortunately, Manitobans were on the leading edge in Canada in realizing that new approaches emphasizing controlled spending and lower taxes were necessary to allow our province to grow and to prosper.

Today Manitobans are reaping the benefits of having started on the path to fiscal responsibility before any other senior government in Canada.

Our competitive taxes and positive business climate are creating thousands of jobs by allowing home-grown businesses to flourish and by attracting exciting new investments from other Canadian and international firms.

Decisions to invest and grow in Manitoba can now be made solely on the basis of our many advantages:

qualified and industrious people;  
 central location and time zone;  
 high-quality transportation and communication networks; and  
 bountiful resources including abundant low-cost energy.

We are employing open processes which rely on direct public input to modernize and improve our key social programs.

And we have achieved a balanced operating budget and are on track to a fully balanced budget two years from now.

These are important assets for any province to possess. However, the most significant benefit to be won is the sense of stability and renewed confidence Manitobans are now experiencing.

Manitobans are, indeed, the greatest strength our province has. The future will be defined by their hopes and dreams. It will be built on their talent and determination.

Mr. Speaker, for that reason more than any other, I approach the future with confidence, enthusiasm and great anticipation.

Together, we will build a stronger Manitoba.

Thank you, Mr. Speaker.

**Mr. Gary Doer (Leader of the Opposition):** I move, seconded by the member for Brandon East (Mr. Leonard Evans), that debate be adjourned.

**Motion agreed to.**

**Mr. Stefanson:** Mr. Speaker, I move, seconded by the Minister of Justice (Mrs. Vodrey), 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. Stefanson:** I move, seconded by the Minister of Industry, Trade and Tourism (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. Eric Stefanson (Minister of Finance):** Mr. Speaker, I have two messages from His Honour the Lieutenant-Governor.

**Mr. Speaker:** 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.

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 day of March, 1995, and recommends these Estimates to the Legislative Assembly.

**Mr. Stefanson:** Mr. Speaker, I move, seconded by the Minister of Energy and Mines (Mr. Orchard), that the messages together with the Estimates accompanying the same be referred to the Committee of Supply.

**Motion agreed to.**

\* (1530)

#### **Introduction of Guests**

**Mr. Speaker:** Prior to asking the House if it is the will to call it six o'clock, I would like to draw the attention of honourable members to the Speaker's Gallery and also to the loge to my right, where we have with us this afternoon the Honourable Dr.

George Johnson, the former Lieutenant-Governor for the province and the former MLA for Gimli, and also in the loge to my right, where we have Mr. Harry Graham, the former MLA for Virden and a former Speaker of this Legislative Assembly, and Mr. J. Frank Johnston, the former MLA for Sturgeon Creek.

On behalf of all honourable members, I would like to welcome you gentlemen here this afternoon.

Is it the will of the House to call it six o'clock? Six o'clock? The hour being 6 p.m., this House is now adjourned and stands adjourned till 1:30 p.m. tomorrow (Thursday).

#### **Erratum**

On Friday, April 15, 1994, page 283, comments inadvertently attributed to Mr. Manness should be attributed to Mr. McCrae.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 20, 1994

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