



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

**DEBATES
and
PROCEEDINGS
(HANSARD)**

39 Elizabeth II

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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 |
| CARR, James | Crescentwood | Liberal |
| CARSTAIRS, Sharon | River Heights | Liberal |
| CERILLI, Marianne | Radisson | NDP |
| CHEEMA, Gulzar | The Maples | Liberal |
| CHOMIAK, Dave | Kildonan | NDP |
| CONNERY, Edward, Hon. | 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 |
| MANNESSE, Clayton, Hon. | Morris | PC |
| MARTINDALE, Doug | Burrows | NDP |
| McALPINE, Gerry | Sturgeon Creek | PC |
| McCRAE, James, Hon. | Brandon West | PC |
| McINTOSH, Linda | Assiniboia | PC |
| MITCHELSON, Bonnie, Hon. | River East | PC |
| NEUFELD, Harold, Hon. | Rossmere | PC |
| ORCHARD, Donald, Hon. | Pembina | PC |
| PENNER, Jack, Hon. | 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 | Kirkfield Park | PC |
| STORIE, Jerry | Flin Flon | NDP |
| SVEINSON, Ben | La Verendrye | PC |
| VODREY, Rosemary | Fort Garry | PC |
| WASYLYCIA-LEIS, Judy | St. Johns | NDP |
| WOWCHUK, Rosann | Swan River | NDP |

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, October 24, 1990

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

TABLING OF REPORTS

Hon. Leonard Derkach (Minister of Education and Training): I would like to table the following reports this afternoon: the Annual Report for the University of Winnipeg; the Annual Report for the University of Manitoba; the Annual Financial Report for Brandon University; the Annual Report for the Universities Grants Commission; the Annual Report for the Public Schools Finance Board; and the Annual Report for the Teachers' Retirement Allowances Fund Board. Thank you, Mr. Speaker.

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to Oral Questions, may I direct the attention of Honourable Members to the gallery where we have from the Chancellor Elementary School, sixty Grade 5 students, and they are under the direction of Mary-Claire Bell. This school is located in the constituency of the Honourable Member for Fort Garry (Mrs. Vodrey).

On behalf of all Honourable Members, I welcome you here this afternoon.

ORAL QUESTION PERIOD

Treaty Land Entitlement Government Agenda

Mr. Oscar Lathlin (The Pas): Mr. Speaker, my question is directed to the First Minister (Mr. Filmon). Yesterday, the Prime Minister once again failed to commit himself or his Government to immediately increase resources to settle outstanding land entitlement. He also said there would be no settlements in British Columbia without the province splitting the costs.

What is the position of this Government? Will the First Minister invite the Prime Minister to Manitoba for the purpose of establishing an agenda for the settlement of land entitlement?

Hon. James Downey (Minister of Northern and Native Affairs): Mr. Speaker, let me first of all respond and say that our Government has truly proven, I am sure to the aboriginal community and to the people of Manitoba, our willingness to not only work on land settlements but the activities when it comes to hydro claims. There will be more progressive activities to be talked about in the near future, specifically on the land settlements dealing with treaties.

The Member should know that our position has not changed from the previous administration. We have, and I have in my office—and officials have contacted the federal Government to discuss that very issue in getting on with the settlements of those bands that have legitimate land claims.

The Member also is aware of the fact that all bands do not have land claims which have to be settled. There are specific bands. Once they are identified, then there is a process between the province and the Government of Canada which has to be activated, and we are anxious to activate it.

Assembly of Manitoba Chiefs Meeting Request

Mr. Oscar Lathlin (The Pas): My supplementary question is again directed to the First Minister, Mr. Speaker. When will the First Minister commit himself to meeting with the Assembly of Manitoba Chiefs to fast track land entitlement here in Manitoba?

* (1335)

Hon. Gary Filmon (Premier): Mr. Speaker, I have met regularly and often with the Assembly of Manitoba Chiefs. I believe within the last nine months, I have probably had three or four different meetings with executive members. A fuller representation appeared, of course, at the debate which they structured during the election campaign. I am quite prepared to continue to meet with them to continue in dialogue with them on various issues that are of importance to them. This one is no different.

This Government has been very open to meetings with people from all different interest groups in

society, all different backgrounds and concerns. Regrettably, I only have 24 hours a day, seven days a week. I commit most of it to the service of the people of Manitoba. It will be a matter of just arranging a suitable date.

Constitutional Issues Aboriginal Representation

Mr. Oscar Lathlin (The Pas): My final supplementary is again to the First Minister. Will the First Minister today commit himself to ensuring that any task force set up by his Government to study constitutional issues will have aboriginal rights at the top of the agenda and include aboriginal people in the task force, rather than focusing only on how many Senators should be elected or appointed from this province?

Hon. Gary Filmon (Premier): Mr. Speaker, I believe that all the people of this province are important. I believe that we have a commitment to consider the needs, the concerns, the constitutional rights of every group in society. I think it wrong for us to play favourites, to select and discriminate amongst the various people in this province. When we look at the process of constitutional change, it is going to be a broad review of all of the needs -(interjection)- The Member for Thompson insists on interrupting. If he wanted to ask a question, if he feels his colleague from The Pas did not do a good job, I will let him ask the question.

Fuel Price Increases Government Action

Mr. Jim Maloway (Elmwood): Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. Shell Canada and Imperial Oil, who set Manitoba gasoline prices, have just reported dramatic increases in third quarter profits. Imperial, for example, increased by \$78 million. Shell made \$107 million more than last year.

When is this Minister going to quit monitoring the situation and do something?

Hon. Edward Connerly (Minister of Co-operative, Consumer and Corporate Affairs): Mr. Speaker, I think the Member read the newspaper where yes, indeed, one of the oil companies' profits for the one quarter were up. For the three quarters of the year, in fact they were down from the previous year. -(interjection)- The Leader of the Opposition (Mr.

Doer) should read the newspaper if he disagrees with that statement.

Mr. Speaker, we are no apologists for oil companies. I can tell you that we are monitoring the prices on an ongoing basis. Let me say to the Member for Elmwood that their Government had a commission of enquiry by Costas Nicolaou, who put out a large report—in fact, I have the report, quite a large report, in which they took no action at all. They made some recommendations that the Government could do, and they took no action. We are using the same model that Costas Nicolaou suggested and did in his book. We are using the same model for monitoring. We will watch what the prices do to ensure that there is no gouging.

* (1340)

Mr. Maloway: Mr. Speaker, given that the oil prices have fallen to \$29.37 U.S. a barrel from \$41.15 a barrel, when will this Minister stop this price gouging on the part of the oil companies?

Mr. Connerly: Mr. Speaker, the Member of course maybe is referring to the American prices, which have dropped. The Americans have a different system than what we have in Canada. There, the last in is the first out. Their prices react on the very same day. In Canada, it is the first in is the first out, the FIFO method, and of course when you have a tracking system you have something like 60 days before those prices come through to the wellhead. This was acknowledged and recognized by Mr. Nicolaou, who said it was a 56-day lag between the price of crude until it hit the level of the price at the pumps. So to suggest that there is gouging, the Member should take a longer term to review the prices. Wild statements do not help in this situation.

Justification

Mr. Jim Maloway (Elmwood): Mr. Speaker, to the same Minister. Given that there has never been a shortage of oil in western Canada and world production has been up to full capacity within 30 days of the invasion, would the Minister act now to require Shell and Imperial Oil to justify their pricing before the Public Utilities Board.

Hon. Edward Connerly (Minister of Co-operative, Consumer and Corporate Affairs): Mr. Speaker, there are two provinces in Canada that go to the Public Utilities Board. One is Nova Scotia, the other is PEI. Traditionally, those two provinces have the highest gas prices in Canada. That system has not

worked effectively for the consumers in Canada. Winnipeg's gas prices traditionally are about No. 3, and while the Leader of the NDP (Mr. Doer) said last week there was a freeze on prices in the Maritimes, there was no freeze on the prices in the Maritimes. That is in Hansard, recorded from the Leader of the Opposition. In fact, the only reason there was a delay is the time that it took for the Public Utilities Board to have the hearing and set the prices and then they did go up.

Crescent Creamery Property Community Concerns

Mr. Paul Edwards (St. James): Mr. Speaker, my question is for the Minister of Government Services. There is a vacant lot in my constituency where the present -(interjection)- There are a lot of For Sale signs as well, but there is a vacant lot where the Crescent Creamery Company used to be located. It is quite a large lot directly behind the Motor Vehicle Branch. I am sure that the Minister is aware as his department has been aware of this for sometime and there has been some debate as to what would be done with that property.

Mr. Speaker, many requests have been made by myself and my constituents to determine the province's intention with respect to this sizable piece of property, and we have been unable to secure a firm commitment from the province as to what will be done with this property or even that a public consultation process will take place before it is assigned. Can this Minister assure this House and my constituents that this property will be used to best serve the people living in the immediate area and that their ideas will be listened to and heeded before this property is committed?

Hon. Albert Driedger (Minister of Government Services): Mr. Speaker, that is sort of a long, complex question that the Member has. I just want to assure him that my department is giving active consideration to the possibility of acquiring that property for an expanded purpose for Government Services in conjunction with 1075 Portage. The exact details of where the status is at, I will get that information for the Member.

Mr. Edwards: I thank the Minister and I look forward to the response which has as yet not been forthcoming from his department.

Bluestem Park Pollution Cleanup

Mr. Paul Edwards (St. James): With respect to another piece of provincially owned property in the constituency, Bluestem Park, which is just north of Omands Creek, my question is for the Minister of Environment. Mr. Speaker, will this Minister ensure that the rampant pollution on this provincially owned property is stopped and will he speak to his counterparts at the City of Winnipeg to ensure that a concerted effort is made so that this piece of property, which is dedicated as a park, does not experience the same level of pollution that sadly it has been subjected to?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, gladly.

Mr. Edwards: Finally, for the Minister of Environment as well, will this Minister make a commitment today to involve local residents in the area as well with respect to the development of this park space as an appropriate park space, given that that part of the city has less green space than any other part of this city? He knows the fights that the constituents have gone through to preserve that park space. Will he make a commitment to make it a viable and usable park space—

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

* (1345)

Mr. Cummings: Mr. Speaker, I will be quite willing to consult with my colleague the Minister of Urban Affairs and members of City Council as to what their intentions are in the development of that site.

Judicial System Probation Services

Mr. Dave Chomlak (Kildonan): My question is to the Minister of Justice. Increased caseloads combined with staff that are not getting larger has resulted in serious shortfalls in the probationary system. What measures is his department initiating in light of the information that was brought to the attention of this House yesterday to ensure the public is protected and to ensure that offenders receive the help they require?

Hon. James McCrae (Minister of Justice and Attorney General): The Honourable Member did raise this matter yesterday with me, and we discussed the matter of the criteria used in the cases

of offenders who are under inactive supervision. I remind the Honourable Member that one of the criteria for this inactive supervision concept is that the safety of the community not be at risk. People convicted of domestic or child abuse offences, sex offences or offences involving violence do not qualify for that type of probation. Those who have a recent previous history of child abuse, domestic abuse or sexual offences do not come under that program.

I note that the Honourable Member urged the Government to spend more money on probation. So maybe the Honourable Member can tell me how much more money and how that proposal fits with his Leader's Brink's truck comments of the past.

Probation Officer Training

Mr. Dave Chomlak (Kildonan): Mr. Speaker, will the Minister advise the House whether or not it is Government policy to refuse to allow probation officers to receive additional training, attend courses in order to adequately carry out their jobs?

Hon. James McCrae (Minister of Justice and Attorney General): It is fair to say that it is the policy of this department to ensure to the extent possible that the people working for our department providing services are trained to the maximum that we can provide with the resources available to us, remembering the priorities that we have as a Justice Department.

Public Protection

Mr. Dave Chomlak (Kildonan): Mr. Speaker, my final supplementary is: Can the Minister advise this House of any other cutbacks in the probation system that might affect the public or the public safety?

Hon. James McCrae (Minister of Justice and Attorney General): My job is to ensure that public safety is assured, and I take that job very seriously, Mr. Speaker.

Aboriginal Language Program Funding

Mr. George Hickes (Point Douglas): My question is for the Minister of Urban Affairs. Last week, on behalf of the Abinochi Ojibway Language Program, the Minister refused to make any commitment to obtain further funding for this program. Yesterday, we learned that 25 percent of the Core Area Initiative

money is unspent and 5 percent is uncommitted. Will the Minister now give his immediate support of this project to ensure that it be prioritized as worthy of renewed funding?

Hon. Gerald Ducharme (Minister of Urban Affairs): Mr. Speaker, first of all, to the Member across the way, 25 percent of the money might not have been spent; however, all the money is committed. As I explained to him in some questions he gave to us yesterday, he did explain to us and did ask that all monies be decided by December 15. The program he has suggested, I would like to maybe explain to the individual that twice they have come forward to the Core Area under the language program and have been given grants, one in 1988 and one in 1989, I think to the tune of about approximately \$130,000.00. To the Member across the way, he must realize that is the idea of the Core Area program, to start up grants, not a continuation of any particular program.

* (1350)

Aboriginal Language Program Funding

Mr. George Hickes (Point Douglas): Mr. Speaker, my supplementary question is to the First Minister.

Why has this Government sat on this funding request for seven months? When will he meet with them and his Cabinet colleagues to find funding for this project?

Hon. Gary Filmon (Premier): Mr. Speaker, as the answer has been given in the past, and I am sure that the Member was here for it, perhaps he does not want to hear the answer. The funding that is being asked for does not fall within the ambit of the Department of Education, because it is preschool funding.

It is my understanding that the Department of Family Services offered to discuss with them the possibility of funding under a child care, a day care basis, and that the group refused it. We have attempted to participate and do what we could to assist, but regrettably it has been unable to be organized.

Perhaps the Member would like to discuss it with those people who are the proponents of this training and see if they would be willing to consider sitting down with the Minister of Family Services to see whether or not they could make application for funding under a day care or child care basis.

Government Priority

Mr. George Hickes (Point Douglas): My final supplementary question is to the same Minister. Does he not agree that preserving the 53 aboriginal languages of this country by teaching them in schools is something that the province and in particular the Minister of Education (Mr. Derkarch) should be doing as a priority?

Hon. Gary Filmon (Premier): The Member makes the point that this is not in schools. That is the difficulty we have in terms of attempting to consider funding. This is not a school program. It is a preschool program.

Department of Immigration Staff Shortages

Mr. Gulzar Cheema (The Maples): Mr. Speaker, my question is for the Premier.

The immigration office in New Delhi, under the present Government, has been a disaster. I understand it is not the responsibility of the provincial Government. I will still raise the question with the Premier.

It takes about 18 months to four years in some cases to finalize cases for family members to come to Canada. Mr. Speaker, it is unacceptable. One of the reasons we have been given is that there is a small number of visa officers at the New Delhi office.

Can the Premier get in touch with Barbara McDougall? Could he request and tell her that we need more officers there to meet the growing need of those people? It has been more than four years for some cases.

Hon. Gary Filmon (Premier): Mr. Speaker, now we see the confusion in policy amongst the Liberal Party of Manitoba.

The Member I am sure is well aware that this is a matter totally within federal jurisdiction. When during the recent election campaign I suggested that we wanted to have a policy by which we could have some ongoing influence on immigration policy to try and assist people legitimately wanting to come to our province who are qualified, who have the skills, his Leader dumped all over that suggestion and suggested that it was a terrible idea. You cannot have it both ways.

If you want to really help those people, if you want to do things that allow for us to bring over immigrants who can make a contribution to our society, who can

in fact be a positive addition to our society in Manitoba, then you have to have some way of having influence on them. When we proposed that, his Leader dumped all over it and said it was a bad idea. Mr. Speaker, I would suggest that he gets together with his Leader to co-ordinate his position on this issue.

Medical Examination Policy

Mr. Gulzar Cheema (The Maples): Mr. Speaker, I am not asking for a new policy. We are asking for assistance under the present law, under the family classification clause, those people who wanted to come. It is within the legal limit they are coming.

Mr. Speaker, my next question is that the New Delhi office has cancelled all the new medical examinations from the State of Punjab for the last six months. People have to travel 300 to 400 miles simply to get a medical examination and has been done by Barbara McDougall.

Can he tell Barbara McDougall to change that policy and make sure that the medical examination which was done under the past Government—Mr. Speaker, for the last 25 years, why has it been cancelled?

Hon. Gary Filmon (Premier): I do not know why it has been cancelled. Mr. Speaker, that is a matter under total federal jurisdiction. I cannot answer him why a choice was made by the federal Government in an area of their sole jurisdiction. What I am saying is that when we as a provincial Government advocated that we ought to have some greater involvement to try and assist Manitobans and their families and others in this immigration process, his Party, the Party of which he is a part, said forget it, it is a bad idea. You cannot have it both ways.

* (1355)

Visitor Visas

Mr. Gulzar Cheema (The Maples): Mr. Speaker, is the Premier saying that he is going to abandon 10,000 people who live in Manitoba? Does he come from that part of the world? He should make it very clear to Barbara McDougall that these policies are wrong and they need to be changed. To get a visitor's visa renewed really is a nightmare. Can the Premier tell Barbara McDougall that the visitor's visa for people who are visiting their families in a crisis situation should be granted. She is refusing visas time after time.

Hon. Gary Filmon (Premier): Mr. Speaker, I will take a look at the information that the Member is putting forth, assess its accuracy and determine whether or not there is something we can do in the instance.

Manitoba Telephone System Community Calling Program

Mr. Gregory Dewar (Selkirk): My question is for the Minister responsible for the Manitoba Telephone System. Opposition to the outrageous increases this Minister ordered for residents of Snow Lake, Cranberry Portage and Flin Flon under the new so-called Community Calling program is growing daily and may well reach the level of opposition to the GST. Why has the Minister not ordered a review of this increase?

Hon. Glen Findlay (Minister responsible for the administration of The Manitoba Telephone Act.): Mr. Speaker, this issue has been brought up before and the answer has been given even as recently as yesterday. The Minister did not order. The Crown corporation is operated by a board. The board made policy decisions and the MTS applied to the Public Utilities Board. The Public Utilities Board held hearings all across the province and it ruled in favor of the program that the telephone system had developed. His constituents, if they really are his constituents, had an opportunity to make representation at that time and no representation was made. Nothing was filed in objection to the proposal that was put before the Public Utilities Board.

Mr. Dewar: Will the Minister now admit that the opposition expressed earlier this week by Thompson citizens in council outraged by the lack of consultation in its increases for Thompson is another example of what is a pattern of gouging northern residents?

Mr. Findlay: Mr. Speaker, I think I heard the Member say something about lack of consultation. The board met with the council in Flin Flon and Snow Lake, met with them. They met with them and discussed the issue and the board has just had a meeting up there, a public meeting, and is still reviewing the situation to see if there are any facts in the allegations being made. There are certain citizens who are objecting, but there are a lot of other citizens out there whom the Government has not heard from yet. The board has not closed the book

on it, but they have thoroughly consulted on a continuous basis both the board and the staff of Manitoba Telephone System.

Mr. Dewar: Yes, I will table the resolution passed unanimously by the City of Thompson on October 9. Will the Minister reconsider the increases announced for Cross Lake where residential rates are increasing nearly 50 percent under the Community Calling program?

Mr. Findlay: I do not think the Member has understood what the process is. The Manitoba Telephone System applied to the Public Utilities Board who approved the program as presented. If they are going to object to it they have to go back to the Public Utilities Board. The Minister is not in a position to order anything of that nature to happen.

Seine River Pollution Cleanup

Ms. Marianne Cerilli (Radisson): Mr. Speaker, my question is for the Minister of Environment. We have heard a lot about this Government's supposed commitment to the environment. Today a group of residents is attempting to save the Seine River and is asking for a commitment from this Government.

My question for the Minister is: What commitments will the Minister make to the Save Our Seine forum to assure this group that the quality of the river will be restored and that the Tory promises are not just rhetoric?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, I rather resent the reference to rhetoric, considering the wording of the question. I have had an opportunity to meet with some representatives of the SOS committee. I have had an opportunity to look at the Seine itself. I am going to the meeting tonight and the province is prepared to come to the party.

* (1400)

Ms. Cerilli: Mr. Speaker, my supplementary question is again for the Minister of Environment. Will the Minister join with the concerns of Manitobans and commit funds today for wildlife preservation to address questions relating to water level and flow, chemical pollution and cleanup of the Seine River?

Mr. Cummings: Yes, Mr. Speaker. We have -(interjection)- Obviously, that is the answer he wanted.

Illegal Dumping

Ms. Marianne Cerilli (Radisson): My final question to the Minister is: Will he tell the House what action he has taken to investigate the illegal dumping of pollutants into the river and, if there are fines, what the fines are being used for?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, there have been accusations previously of pollutants being discharged into the river. They were investigated and unfortunately—or fortunately, depending on where you sit—we were unable to find any contaminants in the water at that time. I am quite prepared to commit to the Member here and to the residents along the Seine River that if we can find any point sources of pollution that we will use the full force of the law to make sure that it is stopped.

Schools - Public Deterioration

Hon. Leonard Derkach (Minister of Education and Training): Mr. Speaker, on October 19, three questions were taken as notice from the Member for Kildonan (Mr. Chomiak) to which I would supply the answers today.

The questions were with regard to the conditions, roof conditions or ceiling conditions, at Greenway School, and I would like to advise the Member for Kildonan that indeed the ceiling that had collapsed in the boiler room of Greenway No. 2 was repaired by Winnipeg School Division No. 1. A safety inspection was done of the ceiling to ensure that indeed children, when they returned to school in the fall, would not be at risk in any way, shape or form.

I also have to advise the Member, Mr. Speaker, that the inspection of safety situations in all schools is the responsibility of local school divisions, and local school divisions do conduct these safety inspections from time to time. The Public Schools Finance Board, when they were notified of this situation, met with Winnipeg School Division No. 1 to ensure that in fact all safety precautions were taken.

Rebuilding Program

Hon. Leonard Derkach (Minister of Education and Training): The other question that was asked, Mr. Speaker, was with regard to replacement of school facilities in the City of Winnipeg, and I have

to advise that once again there is a plan which is in place with regard to replacement of school properties in this province as a whole. The school divisions identify which school facilities need to be replaced, then there is a process that follows from there. At the present time we are somewhat behind in the Winnipeg School Division in terms of identifying the schools that they want to have replaced and then acting on them, but indeed we are acting as quickly as we can to replace the very old facilities that we have in our province.

Health Care Therapeutic Abortions

Ms. Judy Wasylycia-Lels (St. Johns): Mr. Speaker, my question is for the Minister of Health (Mr. Orchard). The recent Nova Scotia provincial court acquittal of Henry Morgentaler shows that arbitrary political decisions which negatively affect access to reproductive health services are considered unfair and unjust and are ultimately ruled unconstitutional. So I want to ask the Minister of Health, will he now have the courage to rescind his arbitrary decision of June 3, 1988, which eliminated therapeutic abortions as an insured service when not performed in hospitals? Will he do this now to—

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

Hon. James McCrae (Minister of Justice and Attorney General): The case down east was a question of a prosecution against Dr. Morgentaler. The case in Manitoba is a matter of Dr. Morgentaler suing the Government of Manitoba. It is our position that those cases deal with different issues and that Manitoba should indeed be defending its regulations.

Health Care Therapeutic Abortions

Ms. Judy Wasylycia-Lels (St. Johns): I have a question for the Minister of Health (Mr. Orchard) about his own decision back on June 3, 1988 regarding insured service for therapeutic abortions.

I want to ask the Minister of Health, does this Government, does this Minister not see that it is grossly unfair to single out women and one medical procedure from medical coverage when in fact this Government finds it acceptable to pay physicians fees for other private clinics including free-standing

surgical clinics doing complex and costly eye and plastic surgery? Where is the justice in that?

Hon. Donald Orchard (Minister of Health): My honourable friend might want to refresh herself of the circumstances surrounding that decision. First of all, the College of Physicians and Surgeons indicated that anyone performing a therapeutic abortion ought to have access and admitting privileges to hospitals. That was the basis under which we undertook to ensure the safety of patients by funding those procedures in hospitals wherein, in Manitoba, there are a number of facilities offering the service, and there is no discrimination or denial of access throughout the length and breadth of the Province of Manitoba.

Ms. Wasylycia-Lels: It is clear we have a big difference on approach to this area of equal access for the women of this province.

I want to ask a question of the Minister of Health pertaining to the crisis we are now facing in our hospital system, because of the negative and regressive legislation of their federal counterparts in Ottawa. What is this Minister doing to address the serious loss of physicians doing therapeutic abortions in the hospital system, and does he now not see some responsibility for ensuring access through the—

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

Mr. Orchard: We have always indicated that we will abide by the provisions of any federal law which is applicable to this medical procedure. We will continue to do that when federal legislation, which I understand is not yet passed, becomes law. The access to the procedure is there in a number of hospitals throughout Manitoba with no restriction to access by women requiring that procedure for medical reasons.

Fishing Industry Lake Winnipegosis

Ms. Rosann Wowchuk (Swan River): My question is to the Minister of Natural Resources (Mr. Enns). Over the last three years, Lake Winnipegosis has been closed to commercial fishing to allow for the recovery of fish stocks. Unfortunately, the first year that the lake was open this last summer, the yields have indicated to be very low. At the same time the Winnipegosis Fishing Co-op has fallen into very difficult times.

My question is what action has this Minister taken to assist fishermen to continue to operate during these severe economic times?

Hon. Harry Enns (Minister of Natural Resources): I am delighted to first of all acknowledge what action the former Member for Swan River took in this regard, one Mr. Parker Burrell, who convinced me and my Government that several hundreds of thousands of dollars should be made available to the fishermen on Lake Winnipegosis to buy back a considerable amount of quota that made the re-entry of the fishery at least more probable of its success. I appreciate that her information is correct, that the fisheries has been less than overwhelming, but our biologists informed fishermen about that. We hope that in the next three or four years, perhaps not maximized until into the fifth year, will the fisheries be restored to its former levels.

Mr. Speaker, the Government has put, to answer her question directly, in actual cash money some \$200,000, somewhat in excess of \$200,000 to help the recovery of the Lake Winnipegosis fishery.

Ms. Wowchuk: Mr. Speaker, the Minister has said they have put money in. Fishermen are still suffering. Will this Minister table any plans he has to help these fishermen through this winter?

Mr. Enns: Mr. Speaker—

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. Order.

Mr. Enns: The Honourable Member draws attention to, and I think appropriately so, the difficulties that primary producers have generally, whether they are wheat farmers or grain farmers or otherwise engaged in primary production. Fisheries throughout the province, because of low pricing and in some cases because of drought affected conditions, poor harvesting, are in difficulty. I acknowledge that.

I have been in contact with members of the co-op from time to time. They have advised me of some of their difficulties, and I will be more than prepared to be talking to them directly again.

* (1410)

Ms. Wowchuk: Mr. Speaker, in view of the fact that the fish stocks have not come back in the lake after the three-year closure and fishermen are suffering very difficult times right now, fishermen are concerned about the effects of the crowduck and the

Fairford dam on the lake, will this Minister call for a complete review of Lake Winnipegosis to address this serious problem and have the local fishermen involved in the review to have their input into it?

Mr. Enns: If I close my eyes for a moment, I could just about swear I could hear my former colleague, Parker Burrell, talking about these problems, except that there is a difference of course.

I appreciate that the crowduck or a cormorant is a problem to the commercial fishermen, but it is also very much the concern of all wildlife agencies, not only in this province but indeed across the country. They are, well not on the endangered list, but they are on the threatened list.

The Honourable Member will be aware when some fishermen caused the extinction of some of these crowducks last year, there was interest shown from all across the country.

I have responded, as is my responsibility as Minister of Natural Resources, that is not an acceptable way of dealing with the problem. That dispute between the commercial fishermen and the crowduck will continue. I do not offer any resolution to that problem. The killing of the crowducks, or the want and hunting and shooting of the crowducks is not an acceptable practice and will be prosecuted by Natural Resource—

Mr. Speaker: Order, please.

Schools - Public Rebuilding Program

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, my question is for the Minister of Education (Mr. Derkach). Last Session my grievance was spent on the serious problem of overcrowding in the northwest end of the city.

The school division now, in its five-year capital plan, is proposing to build an additional five schools in my riding alone, four elementary and one high school.

My question to the Minister of Education is: Winnipeg No. 1 School Division has submitted a Letter of Intent to the Public School Finance Board to consent to an elementary school. Will the Minister of Education put it on a fast track so we can have school facilities for the children in the riding for September of '91?

Hon. Leonard Derkach (Minister of Education and Training): I have to tell you that for several

years now, we have worked with Winnipeg School Division No.1 at replacing some of the older buildings and also providing educational space in areas where there is an expansion of population.

Mr. Speaker, the school division itself has to set priorities. There are limited resources within this province. We cannot all of a sudden overnight build five schools in that division. As a matter of fact, the division could not handle that kind of an expansion in one year or in two years. It all has to be done at a reasonable level, and we are working constantly with the Public Schools Finance Board and Winnipeg School Division No. 1, as well as other school divisions in this city and around this province to ensure that adequate space for children for educational purposes is maintained.

Mr. Speaker: The time for oral questions has expired.

HOUSE BUSINESS

Hon. James Downey (Minister of Northern and Native Affairs): Just a comment dealing with House Business. It is my understanding that the Members of the Opposition Parties have agreed to have a short recess to approximately three o'clock and then return for the address of the budget by the Minister of Finance (Mr. Manness), which following the House will adjourn for the day, if I understand it correctly. The bells will ring at three o'clock to call the Members back in for the Budget Address. -(interjection)- Five to? It is my understanding they would sooner come in at five to, Mr. Speaker, if that is agreeable.

Mr. Speaker: Order, please; order, please. A one-minute bell will ring at five to, is that what is agreed upon? That is agreed?

The House is now recessed until five to three, at which time I will give a one-minute warning bell.

Order, please. The House is now recessed until three o'clock, and at five to three there will be a one-minute warning bell.

The House took recess at 2:15 p.m.

AFTER RECESS

The House resumed at 3 p.m.

BUDGET ADDRESS

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.

Mr. Manness: Mr. Speaker, it is an honour for me to present our Government's third budget to the Legislative Assembly and the people of Manitoba.

Today is United Nations Day. Recently we celebrated Thanksgiving. These occasions remind us of good fortune to reside in a country which is prosperous and free, and a land with vast natural resources and with people who seek opportunity and then have the will and the skills to take advantage of opportunity as it arises.

In today's budget, I will report on the current state of the economic and fiscal affairs of the province. I will outline our plans to help Manitoba meet the challenges of the 1990s and to create a positive climate for investment and jobs.

Our country is experiencing recession. Production of goods and services declined in the second quarter of 1990. Signs of a further decline abound for the third quarter. Virtually no growth is expected until mid-1991.

A major cause is the federal policy of high interest rates to combat inflation. Inflation impacts in so many different ways, eating away at the value of incomes and savings, reducing our competitive position and necessitating difficult adjustments for individuals, organizations and Governments alike causing disharmony and fear. However, there must be an appropriate balance between fighting inflation and maintaining a healthy economy.

High interest rates have retarded consumption and investment. The costs are being felt by homeowners and prospective home buyers who cannot afford higher mortgage payments. They are being felt by businesses and farmers squeezed by higher borrowing costs. High interest rates have driven up the value of the Canadian dollar and made our export industries less competitive. They have also exacerbated the federal Government's own deficit problems.

The situation is especially critical in the farm community. In 1990, Manitoba farmers recorded one of the best crops ever, yet they will receive less cash income for this crop and they continue to face severe interest costs.

In my first budget, I stated our main objective as Government, and I quote:

"Our goal is a competitive and diversified economy which will provide increased investment and job opportunities for our citizens, and pay for quality health, education and social programs."

Mr. Speaker, this is still our top priority.

Manitoba is a province with great potential. We have abundant land, pure water and clean air, assets we take for granted, but which are scarce in much of the world. We have industrious and hard-working people. We have vast renewable energy resources, resources which are even more highly valued in times like these.

Manitobans will feel the consequences of the economic shocks caused by domestic and world events. However, Manitoba can expect to weather any downturn relatively well. Indeed, some forecasters suggest that Manitoba will be at or near the lead in economic growth in Canada this year.

For our province:

Overall growth is projected at double the national average.

Employment grew 1.5 percent in the first nine months, outpacing the 1.1 percent growth nationally.

The number of people unemployed in Manitoba actually declined 3 percent, in contrast to a 4.2 percent increase nationally.

Capital investment intentions are up 10.5 percent in Manitoba versus 6.4 percent nationally.

Construction work is expected to increase 10.3 percent in Manitoba, more than double the 4.7 percent national increase.

Retail sales are up 4.5 percent, double the national increase of 2.2.

I could spend more time talking about Manitoba's economic achievements relative to other provinces, but I believe the future is more important than the past. And, our job is to build for that future by managing equitably, creatively and reasonably. We must provide the quality public services so essential to meet the needs and aspirations of Manitobans, but these must be placed on a secure financial footing that will ensure they are available not just for us, but for our children as well.

Short-sighted efforts to maintain services on the basis of excessive spending, rising public debt costs and escalating taxes will not work. These policies

destroy Manitoba's opportunities for development as high taxes choke off investment, and the job opportunities investment brings. They squeeze the budgets available for the programs Manitobans want. In short, they result in a vicious spiral of weakening our economic prospects, and eroding our ability to preserve vital programs in the future.

We have the legacy of those policies of the past. Annual interest costs on the province's debt are over a half billion dollars annually. That obligation alone takes 85 percent of our sales tax revenue. It is close to one-third of our health budget, or 10 percent of our program spending. Imagine what \$500 million each year would add to our ability to provide programs, and to offset lower income growth through further tax reductions.

A true spirit of co-operation and partnership will be essential, as Manitoba moves through this difficult period ahead. All of us must pull together. Businesses must be especially prudent and reasonable in all their decisions. Labour must be more farsighted in its demands. Governments must learn to provide needed services more efficiently. It is simply not realistic to add to the tax burdens facing Manitobans, individuals and businesses alike.

In our first two budgets, we acted decisively to make Manitoba's taxes competitive.

Manitoba's personal income taxes, especially for families with children, were reduced.

The payroll tax exemption was increased sixfold, eliminating this tax for 70 percent of Manitoba's taxable employers.

To encourage the formation of new businesses, the Vision Capital Fund was established, and a tax holiday for new small businesses was introduced.

These measures, along with tax increases in other provinces, have tangibly improved our competitive position on taxes.

More competitive taxes build on other significant advantages which make Manitoba an attractive place to do business. Energy costs are among the lowest on the continent. Business costs, both for office rents and serviced industrial land, are among the lowest of major Canadian cities. The province boasts a talented and stable work force, with one of the best records of labour peace in the country. Living costs are well below average in housing, owned or rented, and in transportation. Agriculture Canada reports that Winnipeg's food costs are the

lowest among major cities in the country. In line with these low costs, average wages and salaries in Manitoba are the third lowest among the provinces, a significant cost advantage for employers. But, with lower living costs in Manitoba, those wages help provide a quality of life unmatched elsewhere.

These advantages are key to attracting the business investment which is so critical to the creation of permanent, productive and challenging jobs.

We face many challenges and our task is made more difficult by a federal Government which by its actions, especially in equalization and health and higher education funding, undercuts our efforts. Restrictions on equalization payments are particularly troublesome. They result in the burden of federal restraint falling most severely on recipient provinces. I have written the federal Finance Minister to underscore the important role of equalization in strengthening our nation, to meet the forces and challenges that lie ahead.

We will continue to oppose federal actions where they conflict with the province's interest, but we will also prepare our fiscal plans on the basis of the burden federal actions impose on Manitobans.

We cannot turn, Mr. Speaker, to hard-pressed taxpayers to make up for the shortfalls in federal transfers. Instead, we must become more creative and efficient. We must make the hard choices of reducing programs in some areas to ensure the essential programs can be protected, and we must learn to deliver essential programs in the most cost-effective manner.

* (1510)

It has been 16 months since the last Manitoba budget, and we are now more than halfway through the fiscal year. Minority Government, the excessive length of the last Session, the Meech Lake dilemma and the election have contributed to the delay, but that kind of delay is incompatible with good budgeting principles. Budgets need to be planned before the start of a fiscal year. Decisions on resource allocations should be made and communicated to managers and those reliant on the programs while there is still time to adjust.

It is our intention to present the next Manitoba budget early next spring. We are determined to put Manitoba's budget planning back on track. We are depending on co-operation from the Opposition to achieve this goal.

Report on the Province's Finances

Mr. Speaker, I am pleased to report that substantial progress has been made in establishing a sound framework for the province's finances, but more remains to be accomplished.

The deficit had averaged \$500 million in the four years following the 1982 recession. It has been held to less than \$150 million in each of the last two fiscal years.

Overall spending growth has been reduced to 4.7 percent, on average, since 1987-88, a sharp contrast with the near 10 percent average annual growth recorded under the previous administration. Within these overall limits, larger increases have been allocated to priority areas such as health and education.

Our Government also moved to establish a savings account for Manitobans, the Fiscal Stabilization Fund. Some \$200 million of the exceptional revenue growth in 1988-89—largely mining revenue and equalization adjustments—were deposited to that fund to ensure that in periods of exceptionally slow revenue growth, some resources would be available to help cushion the shortfalls. The fund has grown with interest revenue and deposits of proceeds from divestiture of Manfor and Manitoba Data Services.

In my last budget, I predicted a decline in net general purpose debt in 1989-90, the first such decline in over 20 years. I am happy to report that such a decline was achieved.

1990-91 Budget Initiatives

Our Government's fiscal plans for 1990-91 reflect a continuation of fiscal prudence, and a strong commitment to initiatives to improve our social and economic well-being.

Tax Measures

Competitive taxes are essential to help achieve the enormous economic and financial potential of our province, and to provide a durable basis to finance essential programs. Our first two budgets took action to make Manitoba's taxes more competitive. We will continue to build on the gains made in Manitoba over the last two years, and lay the foundation for a brighter future.

Mr. Speaker, there will be no general increase in personal taxes in this budget.

Similarly, Mr. Speaker, there will be no increase in business taxes in this budget.

There is one selective tax increase—a one-half cent per cigarette increase in the tobacco tax. In addition, pending resolution of problems in the allocation of provincial income tax in the mining sector, the special 1.5 percent mining tax introduced in the 1989 budget will be extended until December 31, 1991.

We have worked hard to bring Manitoba's taxes more in line with those in other provinces. This budget continues that process.

Goods and Services Tax

Mr. Speaker, our administration shares the concerns of Manitobans regarding the federal Goods and Services Tax. We have brought our concerns to the federal Government on several occasions.

There is still some uncertainty as to the future of the GST. Should it come into force, our Government will apply the provincial retail sales tax alongside the GST. We will end the current practice of applying provincial sales tax to selling prices which include federal sales tax. We will not put tax on tax.

As a result, Manitoba's retail sales tax will be cut by approximately \$30 million annually, or \$100 for a family of four. While this relief is modest, in relation to the added federal tax burdens imposed under the GST, it should provide a measure of well-timed assistance to Manitoba consumers.

Applying the retail sales tax alongside the GST will help ensure maximum visibility for the new federal tax in Manitoba. Visibility is critical if governments are to be held accountable for the money they raise and spend.

If the GST proceeds, Canada will become the only industrialized nation to have two significantly different kinds of general sales taxes operating at the retail level. Our Government has always been sensitive to the needless complication and expense such duplication in administration means for Manitoba businesses and consumers. The application of the retail sales tax alongside the GST will help simplify compliance. Manitoba will undertake to explore all avenues to further reduce complexity and compliance costs.

Other Tax Measures

Mr. Speaker, in conjunction with the major sales

tax reduction associated with applying the retail sales tax alongside the GST, I am pleased to announce three targeted tax reductions to help generate new investment and jobs.

First, a payroll tax credit will be provided for employee training. Employers taking full advantage of the new credit will have their effective payroll taxes reduced to 1.95 percent, the same level as in Ontario.

Secondly, Manitoba trucking firms will receive full payroll tax relief for international and interprovincial trucking. We are also establishing a Government Industry Task Force to examine the tax and regulatory treatment of this important industry.

Finally, the New Small Business Tax Holiday Program will be extended for an additional year.

1990-91 Revenue Summary

Mr. Speaker, revenue growth in 1990-91 is limited.

While income tax revenue is showing strong growth, anticipated mining revenue is down \$72 million, to one-third of last year's level. The Gulf crisis has increased oil prices dramatically. As a result, consumption tax revenue has been scaled back from earlier estimates, and now shows growth of about 1 percent.

In all, revenue from Manitoba's taxes and fees, including the initiatives announced today, is expected to grow \$85 million, or 2.8 percent.

Estimated federal transfer payments drop \$28 million or 1.7 percent in 1990-91. In the absence of federal restrictions on equalization, and the federal freeze on health and higher education funding, transfers would have been at least \$100 million higher.

To help cushion the shortfalls in federal support, we are withdrawing \$100 million from the Fiscal Stabilization Fund to augment revenue for 1990-91.

This will bring total budgetary revenue growth in this year to 3 percent.

1990-91 Spending Priorities

The spending plans tabled with this budget reflect our continuing determination to find resources to protect vital services within a difficult fiscal environment.

Total budgetary spending, after allowance for

unspent funds at year end, is up \$279 million, or 5.8 percent over last year's preliminary results.

Our priorities are clear. We remain committed to more balanced development of the Manitoba economy. This budget contains a number of initiatives to help sustain and strengthen rural development.

Agriculture commands the largest increase within Economic Development, with \$23 million for the new Manitoba Interest Rate Assistance Program for Farmers, and a further \$16 million for crop insurance cost sharing, to continue full protection for Manitoba farmers in the face of federal funding withdrawals.

* (1520)

The recently announced \$90 million Southern Development Initiative will assist key centres in southern Manitoba to strengthen their opportunities for sustainable economic development.

Last week's announcement of a \$30 million project by Dow Corning in East Selkirk is supported with a \$2.2 million commitment in this budget.

In addition, the budget includes resources to proceed with our departmental decentralization initiatives.

The budget also reconfirms our commitment to measures to protect the environment. The Estimates include:

- \$800,000 as a Provincial commitment for the International Institute for Sustainable Development;

- a sixfold increase in the Environmental Innovations Fund; and

- a \$1.4 million increase in the budget for the Environment Department.

Mr. Speaker, the budget includes provision for a major increase in resources for priority social programs. This includes:

- a \$148 million increase for Health;

- a \$48 million increase for Family Services; and

- a \$37 million increase for Education and Training.

The social program increase is substantial relative to inflation and represents over two times our revenue growth.

It is not my intention to outline all the initiatives in the 1990-91 Estimates—all the programs which have been sustained or improved; the areas where

savings have been achieved through more efficient or effective spending; the special circumstances requiring one-time or ongoing new expenditure commitments. These will be discussed during the debates on the Expenditure Estimates.

Fiscal Plan Summary

In my last budget, I projected a 5 percent increase in expenditure to cover, to over \$5 billion, a 2.5 percent increase in revenue to near \$4.75 billion, and a deficit in the range of \$250 million to \$290 million.

Total expenditure is now budgeted at \$5.08 billion, up 5.8 percent. While program expenditure growth has been held to 5.3 percent, public debt costs are projected to rise by more than 10 percent over last year's level.

On the revenue side, growth prior to the draw on the Fiscal Stabilization Fund was only 1.2 percent, less than half the preliminary forecast from last year. Mining revenue is projected to fall more significantly, federal transfer payments have been cut again in the 1990 federal budget, and the weakening economy is affecting provincial revenue.

To summarize, total budgetary spending is up 5.8 percent to \$5.1 billion. Total revenue, including the withdrawal from the Fiscal Stabilization Fund, is \$4.8 billion. The deficit is \$283 million. We believe a deficit of this magnitude is appropriate in current circumstances. Part of the slowdown in revenue has been accommodated with the Fiscal Stabilization Fund draw, and part with the increased deficit.

Multi-year Budgeting

Mr. Speaker, in last year's budget, I started the process of providing information on the province's fiscal circumstances beyond the current budget year. We are using that process internally. It ensures that the implications of today's decisions on Manitobans are evaluated in terms of their effect on our future, as well as on the present.

Had that process been in place during the NDP years, it is just possible that decisions would have been made not to live beyond our means from 1982 to '88. It is just possible that Manitobans would not be burdened by annual public debt borrowing costs of \$537 million, more than \$450 million higher than a decade ago. Manitobans today are paying for those decisions. Our Government is determined not to repeat those mistakes. We will not succumb to

the temptation to borrow excessively now, and leave future Manitobans to pay.

For 1991-92 anticipated revenue from Manitoba taxes and fees is somewhat below the more moderate growth expected for our economy. We anticipate growth of about 4 percent. The outlook for federal transfers is sombre. With the continued declines in health and higher education transfers, and the GNP override on equalization, cash transfers are expected to be virtually flat. Even with a further \$100 million draw on the Fiscal Stabilization Fund, total revenue growth would be limited to under 3 percent and, like all Manitobans, the province also faces unavoidable cost increases, including the impacts of higher oil prices.

In such circumstances, the need for moderation in demands on Government is self-evident. If overall spending in 1991-92 were to match this year's increase at 5.8 percent, the deficit would increase dramatically to close to \$450 million, after the Fiscal Stabilization Fund withdrawal.

For 1992-93, revenue growth should improve somewhat. While revenue from our taxes and fees will roughly match economic growth, federal transfers are expected to grow more slowly. At this stage, overall revenue growth of about 5 percent appears possible. If spending growth were to continue at this year's rate, the deficit would expand further, to \$500 million annually.

In two short years, our general purpose debt would increase by close to a billion dollars. This would add \$100 million to our annual interest bill, and further squeeze our collective ability to protect vital programs and maintain a tax regime supportive of economic development.

This is a serious challenge to Manitobans. Spending growth next year will have to be reduced if we are to hold the deficit at this year's level, and this would not allow any progress toward our longer-term goal of eliminating the deficit.

The restrained revenue outlook means difficult choices will be required to protect vital services. We will have to trim internal Government spending and cut overhead and administration costs. We will have to reduce funding in less essential areas. We will have to become more efficient in the delivery of important programs in health and education and family services, and in protecting the environment.

It is important to protect our competitive position in this difficult period as well. We must hold the line

on taxes, or we will impede economic development and job creation.

The limited revenue growth and importance we attach to priority programs also limits our capacity to pay for increased costs, including wage settlements, higher oil prices and federal offloading. Wage settlements are particularly important, inasmuch as labour costs represent 80 percent, on average, of all program costs. We are, therefore, asking that all those involved in public sector negotiations recognize this fiscal reality. Any settlements above our revenue growth can only be financed by reductions in staffing or programs.

All those reliant on Government funding should pay close attention to this outlook. It means that major recipients, both inside and outside Government, simply cannot be guaranteed increased support at the rate of inflation. With this budget, Government serves notice that it will be examining its internal spending with even greater focus than it has in the last two years. Similarly, groups and institutions outside of Government are advised to examine their internal spending very closely. Government will not have the capacity to provide significant increases in 1991-92 or 1992-93. Within these constraints, health care remains our first priority.

CONCLUSION

Mr. Speaker, in conclusion, we all must do our part to refrain from unreasonable demands, whether they be with respect to prices, wages, services or taxes. This concept of sharing responsibility is important to building the strong and competitive Manitoba we must have, to assure long-term stability and improvements in our quality of life.

* (1530)

Manitoba is a land of immense opportunity. While 1990 and 1991 will be difficult years, we have all the ingredients for a bright and prosperous future. Our future is in our hands. We have the choice of pulling together through the economic slowdown and sharing its costs, or we can try to offload the costs to others. If we choose the latter course, the costs will multiply. Weaker members of our province will be hurt the most, and we will run a risk of undercutting our longer-term potential. Our Government rejects that path.

We have faith in the good sense and sound judgment of Manitobans. We believe that, with a

forthright and honest presentation of the realities ahead, Manitobans will choose moderation and co-operation through the difficult times. Provided Manitobans are prudent and reasonable in all their demands, and provided Government, agencies and institutions manage carefully, we can maintain all essential programs and build for a stronger future. This budget, Mr. Speaker, lays the foundation for that future. Thank you.

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

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 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.

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, 1991, and recommends these Estimates to the Legislative Assembly.

Mr. Manness: Mr. Speaker, I move, seconded by the Minister of Environment (Mr. Cummings), that the said messages together with the Estimates accompanying the same be referred to the Committee of Supply.

Motion agreed to.

Mr. Manness: Mr. Speaker, I move, seconded by the Minister of Justice (Mr. McCrae), that this House do now adjourn.

INTRODUCTION OF GUESTS

Mr. Speaker: Before putting the question, I would like to draw the attention of Honourable Members to the loge to my right, where we have with us this afternoon Mrs. Charlotte Oleson, the former Member for Gladstone, and Mr. J. Frank Johnston, the former Member for Sturgeon Creek.

On behalf of all Honourable Members, I welcome you here this afternoon.

SPEAKER'S STATEMENT

Mr. Speaker: Order, please. I have a statement for the House. Due to the unusual large number of press here this afternoon, I have asked the press to gather in the rotunda. Members wishing to be scrummed, I will ask them to do so in the rotunda.

This is why the north doors are open, for those Members to proceed through the north doors.

* * *

Mr. Speaker: It has been moved by the Honourable Minister of Finance (Mr. Manness), seconded by the Honourable Minister of Justice (Mr. McCrae), that this House do now adjourn. Agreed? Agreed.

This House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Thursday).

Legislative Assembly of Manitoba

Wednesday, October 24, 1990

CONTENTS

ROUTINE PROCEEDINGS

Tabling of Reports

| | |
|---|-----|
| Annual Reports: University of Winnipeg; University of Manitoba; Brandon University Financial; Universities Grants Commission; Public Schools Finance Board ; Teachers' Retirement Allowances Fund Board Derkach | 366 |
|---|-----|

Oral Question Period

| | |
|--|-----|
| Treaty Land Entitlement Lathlin; Downey | 366 |
|--|-----|

| | |
|--|-----|
| Assembly of Manitoba Chiefs Lathlin; Filmon | 366 |
|--|-----|

| | |
|--|-----|
| Constitutional Issues Lathlin; Filmon | 367 |
|--|-----|

| | |
|--|-----|
| Fuel Price Increases Maloway; Connery | 367 |
|--|-----|

| | |
|---|-----|
| Crescent Creamery Property Edwards; Driedger | 368 |
|---|-----|

| | |
|------------------------------------|-----|
| Bluestem Park Edwards; Cummings | 368 |
|------------------------------------|-----|

| | |
|------------------------------------|-----|
| Judicial System Chomiak; McCrae | 368 |
|------------------------------------|-----|

| | |
|---|-----|
| Aboriginal Language Program Hickes; Ducharme | 369 |
|---|-----|

| | |
|---|-----|
| Department of Immigration Cheema; Filmon | 370 |
|---|-----|

| | |
|---------------------------------|-----|
| Visitor Visas Cheema; Filmon | 370 |
|---------------------------------|-----|

| | |
|---|-----|
| Manitoba Telephone System Dewar; Findlay | 371 |
|---|-----|

| | |
|----------------------------------|-----|
| Seine River Cerilli; Cummings | 371 |
|----------------------------------|-----|

| | |
|-----------------------------|-----|
| Schools - Public Derkach | 372 |
|-----------------------------|-----|

| | |
|--|-----|
| Health Care Wasylycia-Leis; McCrae; Orchard | 372 |
|--|-----|

| | |
|-----------------------------------|-----|
| Fishing Industry Wowchuk; Enns | 373 |
|-----------------------------------|-----|

| | |
|--|-----|
| Schools - Public Lamoureux; Derkach | 374 |
|--|-----|

| | |
|----------------------------------|---------|
| Budget Address Manness | 374-380 |
|----------------------------------|---------|