



Fourth Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Member	Constituency	Political Affiliation
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James, Hon.	Arthur-Virden	P.C.
DRIEDGER, Albert	Steinbach	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FAURSCHOU, David	Portage la Prairie	P.C.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen, Hon.	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GAUDRY, Neil	St. Boniface	Lib.
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
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MARTINDALE, Doug	Burrows	N.D.P.
McALPINE, Gerry	Sturgeon Creek	P.C.
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McGIFFORD, Diane	Osborne	N.D.P.
McINTOSH, Linda, Hon.	Assiniboia	P.C.
MIHYCHUK, MaryAnn	St. James	N.D.P.
MITCHELSON, Bonnie, Hon.	River East	P.C.
NEWMAN, David, Hon.	Riel	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank, Hon.	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
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REIMER, Jack, Hon.	Niakwa	P.C.
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SANTOS, Conrad	Broadway	N.D.P.
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TOEWS, Vic, Hon.	Rossmere	P.C.
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VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.
Vacant	Charleswood	

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, March 6, 1998

The House met at 10 a.m.**PRAYERS****ROUTINE PROCEEDINGS****PRESENTING REPORTS BY
STANDING AND SPECIAL COMMITTEES****Standing Committee on Public Utilities and
Natural Resources
First Report**

Mr. Gerry McAlpine (Chairperson of the Standing Committee on Public Utilities and Natural Resources): Madam Speaker, I beg to present the First Report of the Committee on Public Utilities and Natural Resources.

An Honourable Member: Dispense.

Madam Speaker: Dispense.

Your Standing Committee on Public Utilities and Natural Resources presents the following as its First Report.

Your committee met on Tuesday, February 24, 1998, at 10 a.m. in Room 255 of the Legislative Building to consider the Annual Report of the Manitoba Hydro-Electric Board for the year ended March 31, 1997.

At the February 24, 1998, meeting, your committee accepted the resignations of Hon. Messrs. Downey and Pitura, Mr. Penner, Hon. Mr. Gilleshammer, Mr. Reid and Hon. Mrs. Vodrey, and elected Mr. Helwer, Hon. Mr. Newman, Messrs. Laurendeau and Dyck, Ms. Mihychuk and Mr. Sveinson to replace them.

Mr. John McCallum, Chairman, and Mr. Robert Brennan, President and Chief Executive Officer, provided such information as was requested with respect to the Annual Report and business of the Manitoba Hydro-Electric Board.

Your committee has considered the Annual Report of the Manitoba Hydro-Electric Board for the year ended

March 31, 1997, and has adopted the same as presented.

Mr. McAlpine: Madam Speaker, I move, seconded by the honourable member for Pembina (Mr. Dyck), that the report of the committee be received.

Motion agreed to.

**Standing Committee on Economic Development
First Report**

Mr. Mervin Tweed (Chairperson of the Standing Committee on Economic Development): Madam Speaker, I beg to present the First Report of the Committee on Economic Development.

Mr. Clerk (William Remnant): Your Standing Committee on Economic Development presents the following as its First Report.

An Honourable Member: Dispense.

Madam Speaker: Dispense.

Your committee met on Thursday, February 26, 1998, at 1 p.m. in Room 255 of the Legislative Building to consider the Annual Report of the Communities Economic Development Fund for the year ended March 31, 1997.

Your committee accepted the resignations of Hon. Mr. Gilleshammer, Hon. Mr. Praznik and Mr. Chomiak as members of the committee and elected Hon. Mr. Newman, Mr. Ashton and Mr. Dyck to replace them.

Mr. Gordon Wakeling, General Manager and Chief Executive Officer, provided such information as was requested with respect to the Annual Report of the Communities Economic Development Fund for the year ended March 31, 1997.

Your committee has considered the Annual Report of the Communities Economic Development Fund for the year ended March 31, 1997, and has adopted the same as presented.

Mr. Tweed: Madam Speaker, I move, seconded by the honourable member for Sturgeon Creek (Mr. McAlpine), that the report of the committee be received.

Motion agreed to.

**Standing Committee on Economic Development
Second Report**

Mr. Mervin Tweed (Chairperson of the Standing Committee on Economic Development): Madam Speaker, I beg to present the Second Report of the Committee on Economic Development.

An Honourable Member: Dispense.

Madam Speaker: Dispense.

Your Standing Committee on Economic Development presents the following as its Second Report.

Your committee met on Wednesday, March 4, 1998, at 10 a.m. in Room 255 of the Legislative Building to consider the Financial Statements of the Manitoba Development Corporation for the year ended March 31, 1995, the Financial Statements of the Manitoba Development Corporation for the year ended March 31, 1996, and the Financial Statements for the Manitoba Development Corporation for the year ended March 31, 1997.

Your committee accepted the resignation of Hon. Mr. Newman and elected Hon. Mr. Downey to replace him.

Your committee has considered the Financial Statements of the Manitoba Development Corporation for the year ended March 31, 1995, the Financial Statements of the Manitoba Development Corporation for the year ended March 31, 1996, and the Financial Statements of the Manitoba Development Corporation for the year ended March 31, 1997, and has adopted the same as presented.

Mr. Tweed: Madam Speaker, I move, seconded by the honourable member for Pembina (Mr. Dyck), that the report of the committee be received.

Motion agreed to.

ORAL QUESTION PERIOD

**Health Care System
Elective Surgery Cancellations**

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, my question is to the First Minister (Mr. Filmon). Our neighbours, our constituents, people across this province are absolutely shocked at the situation in our Manitoba health care system. They are shocked at the numbers of patients in the hallways. They are shocked at the crisis and the staffing situations in our hospitals. They are shocked at the situation where ambulances have to travel around the community to find a place to bring patients in need of vital care, and they are absolutely shocked that this government, after nine budgets, after all kinds of statements and promises, is today cancelling elective surgery.

I would like to ask the Premier: why is this happening to Manitoba?

Hon. Darren Praznik (Minister of Health): Madam Speaker, there was no doubt that our hospital system, particularly in the city of Winnipeg over the last number of weeks, was put under a great deal of strain primarily because of an epidemic of flu that has infected not just the province of Manitoba but has spread across the country and, in fact, has put the same degree of strain on hospital systems in other jurisdictions, even some represented by New Democrats.

* (1005)

Capital Spending

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, a person who is responsible for a Department of Health that closes over hundreds of beds and still then challenges us to find a few of the beds—he does not even know the situation in his own hospital—we no longer have any faith in the present Minister of Health, and his other immature comments I think are worthy of contempt.

The Premier (Mr. Filmon) has had three ministers of Health now, and he made promises in 1995 to spend

over \$600 million in capital. Of course, these promises were made before the election, just like the promises before the election in 1990 were made.

When will the Premier take responsibility for the situation? The dire situation in health care is his fault for cancelling and breaking his promise for needed capital spending for the people of this province.

Hon. Darren Praznik (Minister of Health): Madam Speaker, the Leader of the Opposition does not have to get personal in this debate against me or any other Minister of Health, and I am not certainly trying to belittle any comments that he makes.

There is no doubt that all of us across this country, in managing health care systems over the last number of years, have pushed our systems to get the maximum out of them. There is no doubt that in our systems we are getting more services out of our facilities. That has put a pressure on them. No one has denied that. I have not denied that publicly, nor any of my colleagues. When you have an epidemic as we suffered from this year, it is going to put difficult strain.

As the member well knows, within our Winnipeg hospital system we had nearly 300—some of our acute care beds, Madam Speaker, that were being used as transitional or holding beds with occupants who were waiting for personal care home placement. Yesterday I think the recognition of our efforts in dealing with the Misericordia that will add some 280 brand-new beds to our system will work to alleviate that particular difficulty. With respect to our commitment of capital, I think the member should wait for the budget later on this morning.

Mr. Doer: Madam Speaker, I find it rather questionable that the Minister of Health, on the one hand, would leak budget information and then caution us not to use budget information in this Chamber.

I would ask the Premier now: is his Minister of Health now saying that he has breached cabinet confidentiality and budget confidentiality by leaking that information yesterday? Secondly, will the Premier take responsibility for his own broken promise of freezing capital after the election in 1995?

Mr. Praznik: Madam Speaker, the member for Concordia may not be aware of this—I would not expect him to—but our negotiations with the Misericordia, the sisters of Misericordia, with His Grace Archbishop Wall, began last fall when Mr. Neil Fast, who joins us in the gallery, is chair of the Winnipeg Hospital Authority, and I met with them to begin that process. We have had detailed negotiations. It was only on Wednesday night of this week that the board of Misericordia made their decision. If they had made that decision a month ago, we would have announced it a month ago.

* (1010)

In fairness, Madam Speaker, once the board had made that decision, it was paramount that they advise their staff, and so consequently they advised their staff. The financial details related to this will be unveiled in due course, but we believe very strongly that once they made their decision they had an obligation to inform their staff, and I would hope members opposite would appreciate that point.

Misericordia General Hospital Long-Term Care Facility

Mr. Dave Chomiak (Kildonan): Madam Speaker, again the Minister of Health has completely contradicted himself. You know, it belies the government's so-called consultations and so-called move towards consulting with the public.

Madam Speaker, if the decision was made on Wednesday night and it is in today's budget, is the Minister of Health saying that they waited till they changed the budget after the Wednesday night decision to put it in the budget, or is the minister saying in fact what we know to be true, they made the decision a long time ago? We announced it two weeks ago. They denied it publicly. Now the Minister of Health is saying he completely does not listen to what they say anyway because it is in the budget.

Hon. Darren Praznik (Minister of Health): Madam Speaker, first of all, as the members well know, projects within budgets or global amounts of money, there are specifics that are set, but the fundamental issue that the Misericordia, a board of directors, had to

deal with was whether or not they were prepared to accept a fundamental change in their role. We have been negotiating with them over a number of months, and the matter was brought to conclusion Wednesday night.

Believe me, Madam Speaker, if the matter could have been brought to conclusion a month ago, I more than anyone else would have liked to have seen that announcement in their role change. There are still many, many details to be worked out on the finances of this project, the specifics, et cetera. We intend to keep staff informed, as the Misericordia board wishes to do, as we advance on this project. But the announcement or the comments that the member for Kildonan refers to was I believe a couple of weeks ago he went out and announced that their emergency ward would be closing on April 1, which was not the case. He frightened the citizens of Winnipeg and that is not responsible.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Chomiak: Madam Speaker, I would like to ask the Minister of Health how in the midst of a crisis in the Winnipeg health care system—something the Premier (Mr. Filmon) does not acknowledge nor the Minister of Health, but every Manitoban and every Winnipegger knows about the crisis—how they justify the removal of 175 acute care beds from the health care system, the closure of an emergency ward that right now is sometimes occupied 24 hours because ambulances are being diverted from other hospitals and the removal of the ER staff when we are in the midst of the worst health care crisis brought on by 10 years of disgusting Filmon management of the health care system.

Mr. Praznik: Madam Speaker, my friend Clay Serby, who is the New Democratic Party Minister of Health in Saskatchewan, when I chat with him, would probably say that the member for Kildonan resembles his critic in putting forward statements that are not accurate or are not descriptive of the realities of health care.

Madam Speaker, we have not denied in any way that over the last number of weeks our system has been pushed, and in some cases to the crisis point, because of the influx of patients, but nowhere in yesterday's

commentary was any reference made, nor I say publicly today is it the intention to close any of those facilities tomorrow or next week. This is a long-term plan. It involves a lot of new construction. A lot of work must be done with the staff to ensure that no one loses their job, because we need ultimately all of those people who work at the Misericordia somewhere in the system. It is going to take a great deal of effort with staff, et cetera, with unions who are involved. It is going to be something that takes a long period of time, and so it is not going to happen overnight, nor remove those facilities from our hospital system tomorrow.

Madam Speaker: The honourable member for Kildonan, with a final supplementary question.

Mr. Chomiak: We do not believe this government on health care. How can the Minister of Health expect us to believe his comments today when this Premier (Mr. Filmon) and this government promised hundreds of personal care home beds in 1995 and then promptly cancelled them after the election, and now says today, well, we have a problem in our health care system because we should have personal care home beds, but we do not have them—when this government promised them, then cancelled them and is now saying: we promise you we are going to do it again? How can they test their credibility any further?

Mr. Praznik: Madam Speaker, I do not ask members opposite to believe us. I would not expect them to do that, but I would ask them—

Some Honourable Members: Oh, oh.

* (1015)

Madam Speaker: Order, please. The honourable Minister of Health, to complete his response.

Mr. Praznik: Thank you, Madam Speaker. I would ask them to believe some of their fellow New Democrats, because if their federal leader is correct, she identified very clearly that every province in Canada has undergone severe financial difficulties and hardships because of federal spending. She, in fact, blames many of our problems in our system on the current lack of federal funding today.

You can even look closer, to the member for Crescentwood (Mr. Sale), because when you talk about changes in beds, I believe he said to this Legislature on September 18, 1996, and I quote: "Now, we could agree that as the outpatient surgery increased and as the ability of our health care system to provide resources in a way that does not require as long hospital stays, as those abilities increase, then our need for more acute care beds does decrease."

Here I am agreeing with the honourable colleague, et cetera, and that is what has been happening, Madam Speaker, throughout the system.

Brandon General Hospital Modernization

Mr. Leonard Evans (Brandon East): I, too, have a question for the Minister of Health. This government has allowed the Brandon General Hospital physical plant to become run-down and antiquated. In fact, it is the only large hospital in Manitoba not to have been modernized. It has many serious deficiencies, ranging from a substandard operating room to a laboratory that is totally undersized. The previous minister announced construction would proceed at least on two occasions, and once he unveiled a beautiful big model at a major news conference that it was going ahead. Now this was years ago, and we are still waiting.

My question to the minister is: why is he now putting obstacles in the path of the modernization of this important hospital in the Westman area by requiring the board and the community to raise millions of dollars, almost insuperable obstacle to proceeding forthwith with the modernization of that plant? It is just unacceptable, Madam Speaker.

Hon. Darren Praznik (Minister of Health): Madam Speaker, if I recall correctly from budget announcements that were made last year and announcements by our Treasury Board that when we removed the freeze and announced the new capital program last year, we in fact identified Brandon as one of those projects, and I believe work is underway now. The new regional health authority, I understand, has taken over responsibility for Brandon General Hospital, and they are completing their work in assessing their physical needs. The member may well know that there are also,

I believe, 25 new psychiatric beds under construction now in Brandon, and I hope to be joined by my colleague the member for Brandon West (Mr. McCrae) and the Premier (Mr. Filmon) sometime this spring to open those new beds.

Mr. Leonard Evans: Will the minister take it upon himself to look at the huge file on the modernization of the Brandon General Hospital and the many reports and the much correspondence that has gone on in this matter? You know, he talks about study now—there have been studies—this is only two—they are this high, Madam Speaker. This correspondence from the board expressing exasperation, and I quote: Solutions are long overdue and absolutely necessary. Time-expired facilities cannot continue to deteriorate, mechanical systems routinely require expensive retrofit, repair building and system codes in most instances do not reflect current standards, et cetera. This is September 21, 1993, and the minister continues to drag his feet. When are they going to fulfill a promise? We have broken promises—

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

Mr. Praznik: Madam Speaker, as I said to the member for Brandon East, if I remember correctly when we announced last year a major commitment for reworking at the Health Sciences Centre, I believe Boundary Trails hospital, Brandon, some major retrofit to Brandon General Hospital was included, and so the authorities to do that are now in place, and the work is being done between the Department of Health, our Capital Branch, as well as the Brandon Regional Health Authority on completing and finalizing the plans for that work to take place. So the member, I hope, would be aware that that was discussed and decided upon last year and now moves into that process to finalize and into construction.

* (1020)

Madam Speaker: The honourable member for Brandon East, with a final supplementary question.

Mr. Leonard Evans: To the people of Westman, Madam Speaker, this sounds like a broken record,

because this is all we have heard for years and years and years.

My question to the minister is: is the minister aware of the exasperation and pure frustration in the Westman community caused by this on-again, off-again approach and the unfair requirement to raise millions of dollars before any major modernization can take place, a requirement that was not made of other major renovations in this province? So there is discrimination against the Brandon General Hospital.

Mr. Praznik: First of all, Madam Speaker, factual information is very important. The people of Brandon should recall from last year in our program and discussions that project will proceed with respect to our new capital program in a community contribution. All new and major significant projects in the province, including this project with the Misericordia, including Health Sciences Centre, will be subject to the community contribution, and that contribution has, I think, played a very significant role in determining the exact needs that communities have, because they have a financial stake in the project. Let us not forget that our neighbours in New Democratic Party Saskatchewan also have, I believe, a community contribution; Ontario has one as well that was in place under the New Democrats. If memory serves me correctly, their contribution is more significant than ours.

Physician Resources Thompson, Manitoba

Mr. Steve Ashton (Thompson): Madam Speaker, I do not think there is any doubt anywhere in this province, except perhaps in those benches, that there is a critical situation in our health care system. When I heard the Minister of Health say earlier there would not be a problem if it were not for the influx of patients, I think we all know how serious that difficulty is. But, you know, northern Manitoba has been particularly hard hit by hospital cuts, by physician shortages. What demonstrated that was when recently at least three people had to be medi-vac'd to Winnipeg to have appendicitis operations. I know the minister has been in touch with the family, one Judy Benner, whose daughter—it took eight hours before she was able to get that operation.

I want to ask a very simple question to the minister since we still do not have a surgeon. Apparently there is one underway. Why did the Department of Health not authorize an on-call physician in Thompson? We have a surgeon available in the community. Why did they not provide the funding to make sure those people did not have to be medi-vac'd to Winnipeg for appendicitis operations?

Hon. Darren Praznik (Minister of Health): Madam Speaker, I was not aware that that particular request had been made. I will certainly endeavour to find out if that in fact happened between the regional health authority and the finance or the operations people in our Ministry of Health, but I can tell the member he has identified very correctly a shortage of physicians that we have had in the province of Manitoba.

I asked my legislative assistant, the member for Turtle Mountain (Mr. Tweed), to undertake a review and action on a number of fields in which we can attract and retain physicians. I am pleased to report that we have quite a number, somewhere between 40 and 50 doctors from out of province, who are having their credentials checked at the current time and have been matched with regional health authorities to fill many of those vacancies. One of the slow parts of the process has been dealing with the Department of Immigration, which is a federal department.

Mr. Ashton: Will the minister recognize that this is leading to a huge increase in the cost of patient transportation medivacs and answer the question why the department did not authorize having an on-call surgeon in Thompson? We have a surgeon who is a general practitioner—why they were not willing to put the money in there to make sure that people in Thompson did not have to be medi-vac'd to Winnipeg for that surgical procedure?

Mr. Praznik: Madam Speaker, I will endeavour to have my department, I would like to know myself what the circumstances were if in fact that decision was put to us. I know the member for Thompson did not raise this with me until this particular moment. If he did, I apologize. I do not recall him raising it with me directly, but if he has by way of letter, I will endeavour to check that out.

Madam Speaker, this department and this government, when we have seen need that we had to fill, we have acted to do that. We have funded additional beds; we have funded additional doctors. I can assure the member that we try to do whatever we can to fill those needs. If it is a matter of recruiting physicians, particularly surgeons, that has not been as easy a task. We cannot force people to come and service a particular community, but because of the efforts of my colleague and others, we have managed to have a significant influx of new physicians for this province that are in the process of being contacted by the Department of Immigration.

* (1025)

Mr. Ashton: Madam Speaker, in fact, as soon as I was made aware of this by the mother, I contacted the minister's office, made sure they had all the information. She has been in touch with the minister's office.

I want to ask as a final question, Madam Speaker, when the minister will recognize the fact that we are spending as much money in patient transportation as we would save by transferring some of those funds into the kinds of incentives and the kind of recruiting that is necessary to put physicians into rural and northern Manitoba. When will he recognize the cost savings of having those physicians and put those incentives in place?

Mr. Praznik: Madam Speaker, there is no debate here over that point. I do not take issue with the member for Thompson. He is very right. I think any reasonable person looking at it recognizes that there are some times, if you do not have a physician, it is a lot more expensive to move the patient than have the physician. We have never denied otherwise, and we have full agreement with the member. It is a matter of being able to properly staff.

I would also acknowledge to the member that some of the issues of incentives for practice in northern areas are not in place. That is part of what we intend to negotiate in our next round of bargaining with the Manitoba Medical Association, and our efforts to put a new agreement in for emergency services in rural Manitoba last spring was one step towards increasing

that incentive. So we agree I think on the issue and the problem, and we are endeavouring to solve it as best one can, but there are other parties like the MMA that one has to deal with in these matters and they are part of larger bargaining.

St. Boniface General Hospital Working Conditions

Mr. Neil Gaudry (St. Boniface): Madam Speaker, my question is to the Minister of Health. Can the minister indicate what is being done to rectify the working conditions? I have had several calls and several letters which I will be forwarding to the minister in regard to the conditions at the St. Boniface Hospital with the lack of quality care they mentioned in their letters and in the emergency room.

Hon. Darren Praznik (Minister of Health): Some of the issues that the member refers to have been brought to my attention. One of the difficulties that we currently face is the Winnipeg Hospital Authority—and again Mr. Fast joins us in the gallery today, Madam Speaker. One of the difficulties, of course, is the WHA is moving towards becoming the operational authority on the 1st of April of this year. I would hope that the board of directors of the St. Boniface General Hospital will want to co-operate fully with the Winnipeg Hospital Authority to be able to ensure that we are able to deal with those shortcomings, some of which he has identified. We obviously do not run the operation of that facility today. That is the responsibility of its board of—[interjection] Well, the members opposite laugh, but I will tell you, it is a very important issue to the board of directors of that facility. So I would hope that the co-operation is there to allow the Winnipeg Hospital Authority to deal with those matters after the 1st of April.

Physician Resources Recruitment Strategy

Mr. Neil Gaudry (St. Boniface): To the same minister. My question is in regard to the agreement with the Manitoba doctors, and also, what is he doing with the shortages of doctors in the rural areas?

Hon. Darren Praznik (Minister of Health): Madam Speaker, one of those issues with respect to physicians

Winnipeg, both in our community hospitals who had a collective bargaining situation and those in the tertiary hospitals who operate as contractors. We worked very hard over the summer and into the fall and were able to reach an agreement that I think has more than stabilized that particular situation. There are others that have to be addressed in this next particular round of bargaining.

I can tell the member one of the initiatives was a recruitment of foreign physicians that has resulted in 40-plus doctors having their credentials checked by the college, many of which are now in the process of moving through Immigration. We have also dealt with the university to make more resident or more graduate positions open for two to three years to be in rural and northern Manitoba before they have declared their specialty.

* (1030)

French Language Services Report Tabling Request

Mr. Neil Gaudry (St. Boniface): Ma question supplémentaire est pour le Premier ministre. Est-ce que le Premier ministre pourrait indiquer la date à laquelle il déposera en cette chambre le rapport de Juge Chartier sur les services en français?

[Translation]

My supplementary question is for the First Minister. Could the First Minister indicate the date on which he will table in this House the report of Judge Chartier on French services?

Hon. Gary Filmon (Premier): Madam Speaker, I apologize for perhaps my lack of understanding of the question, but if it is as I believe it is with regard to the survey of French language services within various departments of government—

Madam Speaker: The honourable member for St. Boniface, to repeat his question.

Mr. Gaudry: When will the report from Honourable Judge Chartier be brought into the Legislature?

Hon. Darren Praznik (Minister responsible for French Language Services): Madam Speaker, having two responsibilities in this House—Judge Chartier is currently completing his report. We would hope that we would have the opportunity to receive it and study it, but ultimately it will be brought to this Legislature. I do not control the period over which he will report, but I know he is attempting to bring a timely report for the benefit of the government, the Legislature and the people of the province of Manitoba. I thank the member for his question.

Health Care System Diagnostic Tests Waiting Lists

Mr. Gord Mackintosh (St. Johns): Madam Speaker, to the Minister of Health. Last night I received a call at home from a very worried 76-year-old constituent who developed breathing problems over the last four weeks. Two weeks ago she was diagnosed with a faulty heart valve, and before anything can be done she needs an echocardiogram. She is told she cannot get it until August 27.

My question to the minister is: could the minister explain why this government has supported this kind of life-threatening delay and—or will he, with over half-a-billion dollars in savings, gross incompetence and broken promises, still try to blame this on Paul Martin or, for goodness' sake, Howard Pawley?

Hon. Darren Praznik (Minister of Health): Madam Speaker, I find it somewhat interesting that members of the provincial New Democratic Party would so distance themselves from their federal leader, because their federal leader after the budget identified what New Democratic Party Health ministers across the country have also identified—is a very significant reduction in support by the national government for our medicare system and some \$200 million-plus a year in the case of our province. That has certainly added to the whole strain placed on our system. To deny it would not be accurate and I think certainly undermines his support for the federal leader of the New Democratic Party.

I will endeavour, if the member has not already provided the specifics to my office, to inquire as to

exactly what the situation is with this particular individual.

Mr. Mackintosh: Madam Speaker, my supplementary to the minister is: when will this government and this minister face up to their responsibility for the gross mismanagement in the health care system in Manitoba and stop blaming it on the federal government as the minister again has just done once more? Shame, I say.

Mr. Praznik: Madam Speaker, it absolutely amazes us on this side of the House; the critic for the federal New Democratic Party is the former member for his constituency for St. Johns who sat in this House, and federal New Democrats, I think to their credit, have fully recognized the effect of federal withdrawals on the medicare system across this country. We have accepted our responsibility by making up those losses, those reductions of funding as best we can from all our other sources. Is it perfect? No. No one has ever said that. Are there strains on the system? Absolutely. Would we have liked additional support from the national government in their federal budget? You bet we would have, but it was not forthcoming. At least the federal New Democratic Party and the former member for St. Johns recognized that reality. It is regrettable that Ms. Wasylycia-Leis's replacement does not have the same foresight.

Mr. Mackintosh: I asked the minister what is this government, not some other government, what is this government with over half-a-billion dollars in savings going to do for my constituent who has to wait half a year for an echocardiogram? What will he do?

Mr. Praznik: Madam Speaker, in the context of those reductions in our support from the federal government, in having to find other dollars to put into health care which we hope will continue—one will have to wait for the budget later today—but I can tell members that one of the things that we have found is the way in which the system by its nature has operated with its very diffuse system of governance and organization. Wherever we have managed to bring down waiting lists—and we will continue to do that—it is because we have been able to improve the way we organize and use resources, and Mr. Neil Fast who joins us today has been very much part of that.

Health Care System Cardiac Surgery Waiting Lists

Ms. Rosann Wowchuk (Swan River): Madam Speaker, people from across the province have been suffering unnecessarily because of the lack of leadership on the part of this government. A constituent of mine, Ken Gardner, who suffered a heart attack recently requires triple by-pass. He was scheduled for surgery, then had it cancelled and then was rescheduled. He came all the way to Winnipeg and then found out that it was cancelled. This was in December. It is March. He still has had no surgery.

When is this minister going to recognize the devastation that the policies of this government have caused the people across the province, and when is he going to indicate that this is unacceptable and he will correct this situation?

Hon. Darren Praznik (Minister of Health): Madam Speaker, with respect to cardiac surgery, I am not sure if the member has provided details of that case. I know this is a situation that does happen from time to time. We have all had constituents raise with us people who are waiting for by-pass surgery. The reality of the situation is such that the physicians involved set the priority list as to who will receive surgery, and they make the decisions based on the relative need or urgency of cases. They try to deal with people who can wait longer, but if an emergency does arise, surgery may in fact be bumped to allow someone in greater need to have that time slot. That has been the case throughout, I believe, the surgery program in the province of Manitoba.

I am not aware of any cancellation of surgery slots because of budgets. I am not aware every day of what happens in the scheduling of surgery, but I can tell the member that these kinds of things happen because of the priorities that doctors make, and rightly so, on the urgency of particular cases. It has always been that way, and it is likely always to be that way to one degree or another.

Ms. Wowchuk: Madam Speaker, does the minister understand what kind of burden this puts on a family that is now down to one pay cheque and having to pay

the costs of driving to Winnipeg, costs of paying hotels, along with the emotional stress of having to wait for surgery? Is the minister saying that we have to call his office for every one of these incidents? Why do they not address all of them?

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

Mr. Praznik: No, Madam Speaker. People should not be contacting my office because it should not be a matter of the minister's decision who gets heart surgery. I would not want to have that responsibility. The physicians who manage the program make their assessment on the needs of their patients. They operate their surgery slates in two facilities in this province. They make their decisions on the particular needs of individual patients. We have all as MLAs from time to time, I am sure, had people who have come to us who have been scheduled for heart surgery and had it cancelled because someone with greater need was scheduled for that particular spot. That is something no Minister of Health nor government can control.

Madam Speaker, my reference to my office was simply that the member may have provided this information because from time to time we have these inquiries, but ultimately those physicians make the decisions, as they should.

* (1040)

Addictions Treatment Centre Adolescent Facility

Ms. Marianne Cerilli (Radisson): The Addictions Foundation tells us that drug use by youth in Manitoba is up 12 percent under this government since 1993, yet Manitoba has no adolescent residential addictions treatment centre, and Manitoba youth are bumped off the list when they are waiting to go to Saskatchewan or the United States for this type of treatment.

In December '97, the Minister of Health made an announcement to meet this growing need. I want to ask the Minister of Health: is this another health care facility that is just a promise that he has no plans for, no budget for, no beds committed to, and will this facility be built before the next election?

Hon. Darren Praznik (Minister of Health): Madam Speaker, I would ask the member to please wait for other announcements and comments that will be made by colleagues over the course of budgets and Estimates.

Ms. Cerilli: Madam Speaker, what does the minister have to say now to a woman in my constituency whose son has run away because he has given up on getting treatment after being bumped off the waiting list to go to Saskatchewan a number of times?

Mr. Praznik: Madam Speaker, I would say the member should indicate that this particular government is very well aware of this issue and is working to find a way of expanding that service. She may also ask why in the history of the province this has not happened before either. So we continue to work towards that, and the member should wait somewhat before she speaks to her constituent.

Waterhen Community Nursing Station

Mr. Stan Struthers (Dauphin): My question is for the Minister of Health. This government's record on aboriginal health is absolutely abysmal. In the Parklands, the Waterhen community has put forth a good proposal to build a nursing station in their community to give better service to its people and also to create some savings in health care. I wonder if this minister would commit today to some funding dollars for that proposal which would help the people in the Parklands area.

Hon. Darren Praznik (Minister of Health): Madam Speaker, the member has flagged an issue that I think has been of great concern to Health ministers across the country in provinces that have significant aboriginal populations because, as we look at our resources, we find that Mr. Rock, despite his comments as federal minister, a minister who has responsibility for the delivery of a certain level of health care on First Nations communities, has done very little actually to expand that and even bring it up to the standards of neighbouring communities. That is an issue that we continually wish to press home with him.

On the provincial side, we have put significant dollars into an aboriginal health and wellness centre

located here to service our aboriginal community in the core area of Winnipeg. With respect to the specific project in his constituency, I think the member is aware that the process for dealing with these types of capital and funding requests is through the regional health authority. I believe, if it is the project I am thinking of, I am aware of some of the details of that particular project, and I have always been an advocate for expanding services outside of the centres appropriately to ensure delivery closer to home. It is certainly a worthy project, if it is the one I am thinking of.

Regional Health Authorities Funding

Mr. Stan Struthers (Dauphin): Madam Speaker, how can this minister complain about federal cuts when he turns and cuts the local authorities in health care at the same time?

Hon. Darren Praznik (Minister of Health): Madam Speaker, last year, as the member knows, when we created the rural regional health authorities, we did give some targets that required reductions, by and large to force in the system the savings that come from combining services, administration, et cetera. I can tell you that any of those dollars saved have been reinvested in health care in other areas that provide those services.

I should tell him, as well, that even when one has budgets, there are areas within that health budget line—home care being one, Pharmacare being another—although we budget, we always meet the need that is there. We have not reduced, ultimately, funding to those areas, but we continue to meet the need even if in fact those lines have been over budget.

Madam Speaker: Time for Oral Questions has expired.

MEMBERS' STATEMENTS

Winnport

Mr. Gerry McAlpine (Sturgeon Creek): Madam Speaker, great news looms in Manitoba and great prosperity. Last week, Transport Canada made an announcement that Manitobans have been waiting for.

Winnport's air carrier partner, Kelowna Flightcraft, has been given exclusive Canadian rights to transport air cargo in and out of China under the new all-cargo bilateral agreement with China.

Winnport is an initiative to adapt the Winnipeg Airport into the international air cargo hub for Canada and maybe soon for North America. By the end of this year, Winnport will hire approximately 180 people, and once it is operating at full capacity, a total of 5,000 jobs could be created. This also means an economic impact of approximately \$600 million to our economy in the province of Manitoba. Madam Speaker, this is an incredible announcement. This is a project that I am confident all members will applaud.

Opening the airways to Asia is a great benefit to our province and our economy. The Asian markets are no longer considered distant. There is a higher competition through global marketing and global industries, and Winnport will put Manitoba another step ahead of the competition. The efforts by countless individuals to see this project come to bear is beginning to pay off, and while there is still work to be done, the future of Winnport looks bright. Thank you.

Kevin Lamoureux

Mr. Gary Kowalski (The Maples): Madam Speaker, I would like to make a statement in regard to a colleague. Since I was first elected in the by-election in '93, I have had the opportunity to work with someone who has been in this Chamber for almost 10 years. I have been amazed at his loyalty and his dedication to the parliamentary process, who has done a workload in this Chamber that I have seen surpassed by no other person in this Chamber without argument. I am talking about the member for Inkster (Mr. Lamoureux), who although running for the leadership twice, once because of a rule change at the last minute he came second, the second time although getting the most votes, because of a weighted vote system, he was not—he has continued to perform well here, and he has continued to be loyal. We have had our differences, but he will look you straight in the eye and talk to you about them.

So I wanted to take these few moments and congratulate a member of whom I am proud to be a colleague, who has shown he has respect for the

parliamentary process and respect for process. Thank you.

Madam Speaker: The honourable member for Kildonan.

Mr. Dave Chomiak (Kildonan): Thank you, Madam—

Madam Speaker: I think I am being signalled that there are no further Members' Statements. Is that accurate?

Some Honourable Members: Right.

Madam Speaker: I thank the honourable members for the clarification.

* (1050)

ORDERS OF THE DAY

MATTER OF URGENT PUBLIC IMPORTANCE

Health Care System

Mr. Dave Chomiak (Kildonan): Madam Speaker, I move, seconded by the member for Thompson (Mr. Ashton), that under Rule 31.(1), the ordinary business of the House be set aside to discuss a matter of urgent public importance, namely, the collapse of our public health care system under this government.

Motion presented.

Madam Speaker: Before recognizing the honourable member for Kildonan, I believe I should remind all members that under our subrule 31.(2), the mover of a motion on a matter of urgent public importance and one member from the other parties in the House are allowed a maximum of five minutes to explain the urgency of debating the matter immediately.

Urgency in this context means the urgency of immediate debate, not of the subject matter of the motion. In their remarks, members should focus exclusively on whether or not there is urgency of immediate debate and whether or not the ordinary opportunities for debate will enable the House to

consider the matter early enough to ensure that the public interest will not suffer.

Mr. Chomiak: Madam Speaker, at the onset I want to indicate, because of prearrangements, we do not intend—by leave we are prepared to discuss this matter after the budget is delivered by the Minister of Finance (Mr. Stefanson), because we know there are many individuals here who wish to hear the budget, so we are not prepared to do that. But we are requesting an emergency debate because of the sorry and deplorable state of health care in the city of Winnipeg and the province of Manitoba.

Madam Speaker, I might add that other jurisdictions have done so. In fact, the Speaker in the Legislature of Alberta recognized that there was a problem there as well, and he recognized that in fact the debate should take place, but I daresay the situation in Manitoba is even worse than it is in Alberta. In fact, the situation in Manitoba is probably the worst in the entire country.

Madam Speaker, there are three reasons why we need this debate today. First, this government will not even recognize or admit that there is a problem. The Premier (Mr. Filmon) seems unaware, blissfully unaware of the problem in the health care system. The Minister of Health (Mr. Praznik) finds excuse after excuse after excuse to deny that there is a major crisis in our health care system.

Madam Speaker, we need to have a debate to at least alert the only people in Manitoba who do not seem to be cognizant of this problem, that is, members opposite. By way of example, I want to mention something. They denied it last session when we stood up and we raised issues about waiting lists. On December 23, we wrote to the Premier and we said you have a crisis; please do something. That afternoon, the Premier and the Minister of Health announced the opening of 83 beds. Unfortunately, they still have not been able to open the 83 beds because of incompetence on their part. We need a debate to alert members of the problem.

Madam Speaker, several weeks ago when the emergency rooms were crowded, the Minister of Health said: We would open more beds, we will open more beds. There is no space. There is no space in the

health care system, and I challenge members opposite to find space in the health care system.

Madam Speaker, we went next day. We found empty floors at Misericordia. We found empty wings at St. Boniface. We found rooms at Seven Oaks Hospital, and what did the Minister of Health say then? Oops, we do not have beds. We do not have nurses. It is the management's fault. It is the federal government's fault. It is Howard Pawley's fault.

Madam Speaker we need a debate to at least acknowledge, let the members opposite recognize there is a problem, but there is a more important reason why we need a debate. Someone has to advocate for those people lying on the gurneys, lying in the hallways, waiting at home, phoning ambulance services to see if they can get into a hospital. Someone has to be an advocate for those people, because there is no one to advocate for them. The nurses are run off their feet. The doctors are run off their feet. The hospital administrators are throwing up their hands because of budgetary cutbacks, and the Premier sits and the Premier says: What problem; no problem.

Who is going to advocate?

Madam Speaker, this week there was a young child who could not get surgery and was faced with potential brain damage because of the lack of surgery. The doctor and the family and we all tried to get the surgery. Letters went to the Minister of Health. There were no surgery beds. When that doctor and that patient went to the media and went and had a TV report, miraculously, the next day a bed appeared and the surgery took place. It took a doctor and a patient to go to the TV station to get surgery. That is deplorable. The minister is right. We should not have to go to the minister's office to get surgery, but if you do not acknowledge there is a problem, then you are not going to solve it.

We must be advocates for people who need that kind of surgery. We have to be advocates for the public that are lying in the hallway. We have to be advocates for the nurses that are run off their feet and are not listened to and are being let go. If we do not have this debate in this Legislature, where will it take place? Nowhere, Madam Speaker.

We are anticipating a budget. Madam Speaker, we had a budget in 1995 that promised personal care home beds, that promised the Health Sciences Centre would be redesigned, that promised the cancer institute would take place, that promised numerous hospitals, and after the election, after that budget the members cancelled those projects. We are four years behind in those projects and today we are going to hear another budget announce more projects. Most will not see the light of the day until after the next election. Do we have, anymore, faith in this government?

So we need a debate, Madam Speaker. We need a debate, because frankly Manitobans need a forum for someone to advocate for them. We need to let members opposite realize and recognize there is a problem, and we do not believe they will live up to their budget in any regard because they have not in the past. Thank you.

Hon. James McCrae (Government House Leader): Madam Speaker, our rules under this section call for a debate if it is a matter of urgent public importance, and implicit in that procedure is the lack of any other opportunity to discuss matters of urgent importance. Now the Legislature has been returned today to hear the budget of the Minister of Finance and will be into a daily diet of Question Period, which gives honourable members on all sides of the House opportunities to raise matters of importance.

Obviously, there can be no matter more important than the health of Manitobans, but honourable members know, too, that debate on the budget is a wide-ranging debate. I have been here for 12 years almost, and I do not remember anybody ever being brought to order on the issue of relevance during the Budget Debate. The fact is there could hardly be anything more relevant than health because 34 percent of all of the spending of this government being on health and that being at the highest level anywhere in Canada. Those are the kinds of things that honourable members on this side of the House are quite willing to discuss and make known to our fellow Manitobans, and we look forward to that opportunity during the Budget Debate.

Madam Speaker, in recent years, spending on health has increased by some \$600 million on an annual basis here in Manitoba. That also exhibits the priority this

government places on that most important matter to us, that being the health of our fellow citizens.

* (1100)

So the fact is opportunities do exist for honourable members on all sides of the House to debate the matter of the health of our health system, and I am sure the Minister of Health (Mr. Praznik) would be very interested in participating in such a discussion, but the tool, the instrument the honourable member suggests we use today is inappropriate for that purpose, and in any event, with the budget coming down, we will have plenty of things to talk about, especially spending taking place in the health system and the major improvements that have been taken and continue to be taken in Manitoba to look out for Manitobans in the next millennium.

Madam Speaker: I thank all honourable members for their advice to the Chair on whether the motion proposed by the honourable member for Kildonan (Mr. Chomiak) should be debated today. The notice required by Rule 31.(1) was provided. Rule 31 and Beauchesne Citations 389 and 390 provide two tests for a matter of urgent public importance to meet in order for debate to proceed: first, is the subject matter so pressing that the ordinary opportunities for debate will not allow it to be brought out early enough, and second, has it been shown that the public interest will suffer if this matter is not given immediate attention.

Manitoba precedent from past rulings of Speakers shows that the scope of the budget speech debate, which is underway today, is wide enough to encompass the discussion of most subjects. The issue raised by the honourable member for Kildonan (Mr. Chomiak), in my opinion, can be discussed during the Budget Debate.

Respecting the second test for a matter of urgent public importance to proceed, that is, will the public interest suffer if the matter is not given immediate attention, although this undoubtedly is a very serious issue that the member has brought forward, I do not believe the public interest will be harmed if the business of the House is not set aside to debate the motion today.

Therefore, I must rule that the matter does not meet the criteria set out by our rules and precedents.

Introduction of Guests

Madam Speaker: Prior to recognizing the honourable government House leader, I would like to draw the attention of all honourable members to the loge to my left where we have with us this morning, John Angus, current city councillor and former member for St. Norbert.

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

House Business

Hon. James McCrae (Government House Leader): Madam Speaker, in order that the business of the House might be conducted in an orderly way, might I suggest the House recess for some five minutes or so and be returned upon the call of the buzzer.

Madam Speaker: Is it the will of the House to have a five-minute recess, followed by the presentation of the budget by the honourable Minister of Finance (Mr. Stefanson)? [agreed]

The House recessed at 11 a.m.

After Recess

The House resumed at 11:09 a.m.

Introduction of Guests

Madam Speaker: Order, please. Prior to recognizing the honourable Minister of Finance (Mr. Stefanson), I would like to draw the attention of all honourable members to the loge to my right where we have Don Orchard, the former member for Pembina; Clayton Manness, the former member for Morris.

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, I am pleased to move, seconded by the Minister of Natural Resources (Mr. Cummings),

THAT this House approve in general the budgetary policy of the government.

Motion presented.

* (1110)

BUDGET ADDRESS

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, it gives me great pleasure to present our government's 1998 Budget Address to the people of Manitoba. I am also happy to say that this address heralds the 10th anniversary of Gary Filmon's leadership as Premier of our great province.

Under Premier Filmon's outstanding leadership, our province and its people have made exceptional economic and social progress. Madam Speaker, the stage is set for an even brighter future. On a personal note, I believe this budget once again confirms that Premier Filmon's vision is benefiting all Manitobans.

I would like to express our appreciation to the many Manitobans who took the time to participate in the budget consultations we held across our province last fall. My colleagues and I were impressed with the hospitality and thoughtful input that we received in the 12 areas we visited. From Virden to The Pas to Beausejour to Letellier to Winnipeg and many other communities in between, Manitobans shared with us their vision for the future of our province and our children. I also want to thank the hundreds of individual Manitobans and organizations who took the time to write, call or meet with me to express their views on our challenges and our opportunities.

Madam Speaker, we listened, and this budget reflects what Manitobans told us.

It is a proud moment for me to present the 1998 budget. Today, Madam Speaker, Manitoba's finances are healthier than at any time in the past quarter century. Our economy is strong, vibrant and growing. The era of rising debt, excessive taxes and high unemployment is behind us. Before us lies unprecedented opportunity for all Manitobans.

During our first eight years in office, Madam Speaker, our government worked hard to balance the budget. In 1995, Manitobans' efforts were rewarded when we tabled the first balanced budget in our province in 22 years. The budgets of 1996 and

1997 were also balanced, and now I am proud to present the fourth balanced budget in a row.

Balanced budgets have allowed us to launch the first sustained attack on the province's accumulated debt since the 1950s. Balanced budgets have also allowed us to sustain and protect vital social programs like health and education.

Madam Speaker, sustained balanced budgets have given Manitobans confidence that they need not suffer from major tax increases. Due to this confidence, people are spending, business is expanding and more jobs are being created. Total employment has reached record levels in each of the past three years. All of our job growth has been in the private sector, where it does not depend on the support of tax dollars. There is a very important lesson here; balanced budgets create jobs.

Indeed, 1996 and 1997 have been two exceptionally good years for Manitoba's economy.

- * Private investment is at a record level.
- * Retail sales are at a record level.
- * Manufacturing shipments are at a record level.
- * Foreign exports are at a record level.
- * Farm cash receipts are at a record level.

Madam Speaker, I am especially pleased that a record number of Manitobans are working. Employment growth in the private sector was exceptionally strong in 1997, rising by 16,800 new jobs. This was the largest increase in private sector jobs in 18 years. The impressive increase in employment in 1997 pushed the annual unemployment rate down to just 6.6 percent—the lowest rate since 1981. Indeed, the unemployment rate fell further at the beginning of this year to just 5.7 percent.

Madam Speaker, after years of hard work, Manitobans now have real choices and real flexibility.

During the consultations leading up to this budget, some 2,000 people from all across Manitoba offered

their views. Their input has helped to set our priorities for this budget. Madam Speaker, Manitobans were remarkably consistent in their views on the priorities their government should pursue. I am proud to say that the 1998 budget acts on their advice and counsel.

* Manitobans told us to continue living within our means and spending tax dollars wisely. Madam Speaker, this budget balances the books for the fourth consecutive year.

* Manitobans told us that our highest priority should be to relieve the next generation of the burden of our accumulated debt. Madam Speaker, this budget increases our debt payment to \$150 million—double the required payment.

* Manitobans told us that strengthening our health care system should be our top program priority. Madam Speaker, this budget targets significant additional funding to improve health care services for Manitobans. This budget also targets more resources for education, children, families and justice.

* Manitobans told us to keep Manitoba's taxes competitive to continue to fuel a growing economy that creates more jobs and more opportunities. Madam Speaker, this budget extends Manitoba's overall tax rate freeze for an 11th consecutive year; and in fact, the 1998 budget cuts a number of key taxes.

Madam Speaker, this budget reflects the goals and aspirations that Manitobans have for our province. It pursues them with determination and vigour.

Better Health Care for Manitobans

Madam Speaker, sustained balanced budgets are the best way to secure and enhance our health care system and other vital social programs. Balanced budgets allow us to devote more resources to maintain and improve the high-quality health care services that Manitobans rely on.

We have consistently made better health care our top program priority. Since 1987-88, our health care budget has increased by almost \$600 million or 45 percent.

During budget consultations, Manitobans told us that they value our health care system. Madam Speaker, in this budget, we are devoting over \$100 million more for health care. In total, the budget for Manitoba Health will be \$1.93 billion for 1998-99.

The additional resources for health are being targeted to the health care priorities of Manitobans. Madam Speaker, I am pleased to announce that this budget provides almost \$11 million more to address the need for additional dialysis services in Manitoba. We are also promoting preventative measures. For example, since kidney failure is strongly connected to diabetes, we are adding \$600,000 to a Provincial Diabetes Initiative.

Our government recognizes that we must improve access to critical care services. Madam Speaker, this budget devotes \$2.4 million more to support the additional intensive care beds at the Health Sciences Centre, additional beds for panelled patients, and the expansion of the Neurosurgery Program at St. Boniface Hospital.

Madam Speaker, everywhere in Canada, waiting lists for some services have become unacceptably long. This budget commits \$2.5 million to improve access to joint replacement surgery, ultrasound diagnostics, MRI machine use, CT scans, radiation therapy, and bone density assessments.

As well, our government is continuing to anticipate and respond to changing demographics and population needs of Manitobans. Madam Speaker, this budget dedicates \$23 million more for the Home Care Program. This brings the total resources for home care to over \$123 million, triple what was spent on this program in 1987-88.

Our government also wants to ensure that Manitobans residing in personal care homes continue to have quality care and service. Madam Speaker, this budget provides \$4.5 million more for the operation of personal care homes.

We believe that prevention activities are very important. They help keep Manitobans healthy and reduce health care costs. Our government will continue

its commitment for the Aboriginal Health and Wellness Centre.

* (1120)

Madam Speaker, our government recognizes the importance of public health. This budget provides \$1 million for a Staged Immunization Initiative. This initiative will reduce the incidence of serious illnesses for both children and adults in our province.

Madam Speaker, as part of our commitment to early diagnosis and illness prevention, this budget supports the expansion of the Manitoba Breast Cancer Screening Program with the addition of two mobile breast screening units. In partnership with the Manitoba Cancer Treatment and Research Foundation, which raised sufficient funding to acquire the initial mobile screening unit, our government will provide an additional \$670,000 to purchase a second unit and operate both units.

Madam Speaker, our government is moving to address the infrastructure capital requirements of our evolving health care system. Therefore, I am pleased to announce a 1998-99 health capital program totalling \$63 million. This program provides for 26 priority projects throughout Manitoba, including construction of a 40-bed personal care home in Oakbank, a new 20-bed home in Hartney, and the development of a new personal care home in The Pas to replace an older facility. Early this spring, Lions Manor will be starting the construction of two projects in Winnipeg. The first is a 102-bed personal care home, and the second is a 30-person Alzheimer Care Unit. Coupled with this capital program is yesterday's announcement about the Misericordia Hospital redevelopment. This project will add 280 long-term care beds and 169 transitional beds in Winnipeg and bring the total capital program \$94 million.

The new capital program also includes 13 conversion projects. These projects will modify space within existing buildings to meet the changing needs. My colleague the Minister of Health will provide further details on the 1998-99 health capital program.

Madam Speaker, our government recognizes that advanced medical equipment is an important

component of a modern health care system, and therefore I am pleased to announce a special allocation of \$10 million for the purchase of medical equipment. This spending will be targeted toward clinical and patient care needs.

Our government recognizes that there is a need for additional resources to support the search for new solutions and evidence-based decision making. That is why this budget allocates \$2 million for the Health Research Initiative in 1998-99. This funding will support continued health research activities at the Manitoba Cancer Treatment and Research Foundation, Children's Hospital Research Foundation, St. Boniface Research Centre, Health Sciences Centre Research Foundation and the University of Manitoba.

Our government wants to ensure that Manitobans have timely access to high quality health care now and in the future. That is why 34.6 percent of the regular expenditures in this budget will go toward meeting health care needs. We will spend almost \$1,700 for health care for every man, woman and child this year. Our province's spending on health care as a percentage of budget expenditure is the second highest of all provinces in Canada.

Investments in Our Children— Investments in Our Future

Madam Speaker, our children are the future of our province and of our economic life. Investment in children and youth is one of the most important social investments that we can make.

Madam Speaker, spending on children, youth and their families is increased in this budget by over \$20 million. Most of this funding will be directed toward programs that respond to the nutritional, learning and social needs of children and youth. Our government will spend \$2 million on positive parenting programs, healthy child development, and strategies to prevent adolescent pregnancy. We have also committed an additional \$300,000 toward a strategy to prevent fetal alcohol syndrome.

Madam Speaker, I am pleased to announce that this budget invests \$2.1 million in early childhood nutrition

initiatives. Our government also recognizes that some children require additional help in developing the skills they need to enter and be successful at school. To address these needs, this budget allocates over \$2.6 million to preschool and early-years programs, including an early literacy program to help at-risk Grade 1 students develop reading skills.

Madam Speaker, our government has consistently said that the best form of social security is a job. Therefore, I am pleased to announce that this budget devotes nearly \$2 million more for training and job placement strategies to help income-assistance families enter the workforce and lower-income working families secure better paying jobs. In 1998-99, our government will spend \$13.6 million on training programs for Manitobans who are in receipt of income assistance or in low paying jobs.

Madam Speaker, quality child care helps parents enter and remain in the workforce. Therefore, I am pleased to announce that this budget dedicates an additional \$4.8 million to provide more accessible, portable and flexible child-care options. Several of the initiatives that I have just outlined will be financed, in part, through Manitoba's participation in the National Child Benefit.

My colleagues, the Minister of Family Services (Mrs. Mitchelson) and the Minister of Education and Training (Mrs. McIntosh), will provide additional details on our new and expanded initiatives for children, youth and families.

Preparing our Children and Youth for a Successful Future

Madam Speaker, our government is committed to an effective and modern education system. Throughout the 1998 budget consultations, Manitobans stressed that a quality education system is key to a child's successful future and the future of our province.

Madam Speaker, Manitobans want a modern education system that focuses on outcomes and results. The education system will continue to be strengthened by:

* emphasizing core subjects;

* by establishing regular assessments to measure student performance; and

* by giving parents and the community a stronger voice in our schools.

An additional \$4.2 million will be invested in 1998-99 in education renewal initiatives, with the further development and implementation of new curricula and an expansion of standards testing.

As was announced earlier this year, funding in support of public school education is being increased by 2.2 percent for the 1998-99 school year. The overall increase amounts to \$16.7 million. We recognize that technology literacy is one of the "new basics." As part of the additional funding for public schools, \$1.8 million will be spent to enhance access to information technology in the classroom.

Madam Speaker, as was recently announced, our government has approved \$29.6 million for the schools capital construction program for 1998-99. We have also committed \$30 million to a new three-year initiative, the Aging Buildings Program. The Aging Buildings Program will help school divisions upgrade and extend the useful life of structurally sound older schools.

Now more than ever, Madam Speaker, youth must have ready access to training and post-secondary education so that they can succeed in our labour market.

Madam Speaker, I am pleased to be able to announce significantly enhanced and better targeted overall assistance for post-secondary students and recent graduates. These initiatives will provide further incentive for our students to study in Manitoba and help to reduce the debt loads of our students. Our government's increased support will be directed to:

* our participation in a national harmonized student loans program;

* \$1.6 million for new Interest Relief and Debt Reduction Programs; and

* a greatly enhanced Scholarships and Bursaries Initiative.

Under this \$5 million initiative, our government will match \$1 for every dollar of new funds raised for scholarships and bursaries at the post-secondary level. Based on an average scholarship and bursary of \$1,000, we expect that 10,000 students will benefit from this initiative starting in 1998.

* (1130)

The Manitoba Learning Tax Credit will be re-profiled to complement these initiatives and will contribute \$15 million in support to Manitoba students and their families. It is still the only credit of its kind in all of Canada.

Madam Speaker, statistics show that Canadians with a university degree have higher earnings and significantly lower unemployment rates. This budget increases operating grants for universities by \$8.9 million, bringing the total to over \$215 million. My colleague the Minister of Education and Training (Mrs. McIntosh), together with the Council on Post-Secondary Education, will provide details about the allocation of the additional funding.

As well, our government will continue to direct almost \$9 million toward capital projects for the repair or upgrading of buildings on our university campuses.

In addition, \$5.3 million over two years will go toward the construction of a new Nursing Building at the University of Manitoba. This building will increase classroom space for the Nursing Faculty, providing our health care system with nursing services in the years ahead.

Manitoba's community colleges have a national reputation for their success in adapting to meet the needs of our changing labour market. Madam Speaker, I am pleased to announce that we are increasing the operating grants for the colleges by \$1.1 million, or 2 percent over 1997-98.

Our government will spend \$16.5 million more in 1998-99 in direct support to students and post-secondary institutions. Manitoba students and

their families will also pay nearly \$6 million less in Manitoba income taxes this year. The total budgeted expenditure on students and post-secondary education is \$320.6 million.

Providing More Opportunities for Manitobans

Madam Speaker, our government believes that all Manitobans want to be self-sufficient and full participants in their communities. Perhaps the most pressing challenge that our province faces today is developing the skills of Manitobans, in particular, our youth, so that they may take advantage of the opportunities created in our thriving economy.

Madam Speaker, this past December, all First Ministers agreed that youth employment is a national priority requiring the involvement of both orders of government. We are actively working with the other provinces, the federal government and the private sector to create more opportunities for youth. Our government will continue to support our student and youth employment programs. In 1998-99, it is expected that more than 15,000 students and youth throughout our province will benefit from these programs.

Manitoba's apprenticeship training program plays an important role in developing a highly skilled workforce. Our government believes there are opportunities in our province that will support the expansion of the apprenticeship program from 2,000 to 4,000 in-school apprentices over these next three years. Madam Speaker, that is why I am pleased to announce that our government will provide \$3 million in 1998-99 to support Manitoba's apprenticeship program.

Our government recently completed negotiations with the federal government to integrate training and employment programs for unemployed Manitobans; \$54.3 million will be spent this year on training and employment services that link unemployed Manitobans with jobs. We have worked proactively to reform our income-assistance program through the Employment First focus.

Successful programs such as Taking Charge!, Youth NOW and Opportunities for Employment give income-assistance recipients the training and skills that they need to move into jobs. Since 1996, almost 1,900

graduates from the Making Welfare Work and other related training programs have obtained jobs. Income-assistance caseloads and costs have declined substantially as our economy creates more jobs, and people are making the transition to employment.

In this budget, we increase the total support for the Making Welfare Work programs to \$9.3 million. This budget also invests \$4.3 million in other innovative programs that offer education, training, job readiness and job search services to enhance Manitobans' employment prospects. In addition, this budget increases our support for Community Based Adult Literacy Grants to over \$1 million in 1998-99. Last year, these grants offered almost 1,700 adult Manitobans training in literacy skills.

We believe it is important to support adults with disabilities so they can live and participate as active members in our communities. Therefore, I am pleased to announce that this budget increases funding to Adult Services programming by over \$7 million. These initiatives will help more people find jobs and live independently within our communities. We want to help all Manitobans achieve economic independence, and a brighter future for themselves and their families.

Safer Communities

Madam Speaker, our government is committed to strengthening our justice system and implementing further initiatives that help fight and prevent crime.

Madam Speaker, we have zero tolerance for domestic violence. That is why our government is allocating an additional \$1.9 million for our action plan to deal with domestic violence.

In 1995, our government announced that we would spend \$14 million for community policing in Winnipeg. This funding was provided to put 40 more constables on the streets of Winnipeg. Madam Speaker, this budget allocates \$2 million for the fourth year of our seven-year commitment.

This budget provides almost \$10 million for capital projects, including a maximum security unit and safety upgrades at Headingley Correctional Institution, the completion of the Winnipeg Law Courts Lockup, and

the commencement of renovations and expansion of the Brandon Courthouse. Approximately \$2 million will be spent on the construction of a new custody unit at the Agassiz Youth Centre.

Madam Speaker, to prevent youth from becoming involved in criminal activity, we will continue to support initiatives like the Youth Justice Committees, Urban Sports Camps, and Choices Youth Program.

It is also important to work actively with young offenders to ensure that they do not reoffend. Therefore, Madam Speaker, over \$500,000 in additional funding will be directed toward expanding the intensive support and supervision programs that target and monitor young offenders on temporary release and selected young offenders on probation.

Madam Speaker, our government will enhance Victims Assistance Services including a \$625,000 increase in grants to expand Victims Services Programs throughout our province.

Madam Speaker, our government's total spending on Justice has increased by 6.8 percent in 1998-99. My colleague the Minister of Justice (Mr. Toews) will provide additional details on these initiatives.

Arts, Culture and Sports

Madam Speaker, Manitobans enjoy a very high quality of life, thanks in large measure to the wide variety of options for entertainment and enrichment.

The arts, festivals and cultural events of Manitoba symbolize our province's creativity and cultural pride. The not-for-profit performing arts are generously supported by audiences, and both the public and private sectors in our province. In fact, this support is stronger in Manitoba than any other province in Canada.

As well, Madam Speaker, our province should be very proud of its accomplishments when it comes to the hosting and delivery of amateur and professional sporting events. For instance, Brandon received recognition from right across Canada last summer when it hosted the most successful Canada Summer Games ever.

Madam Speaker, a number of Manitoba's finest athletes are gathered in Gimli right now for the Manitoba Winter Games. Almost 1,600 participants from across our province will compete in 12 different sporting events.

* (1140)

Beginning tomorrow, Madam Speaker, our province welcomes the 1998 Brier which will result in the crowning of a new Canadian Men's Curling Champion. This fall, the 1998 Grey Cup Championship will be held here in Winnipeg. Over the Christmas season, Manitoba will be the site of the 1999 World Junior Hockey Championship. This premiere hockey tournament will bring teams, families and fans from all over the world to our province.

Madam Speaker, in the summer of 1999, our province will be centre stage when we welcome the Pan American Games. The 13th Pan American Games will be the third largest multisport athletic competition ever held in North America.

Madam Speaker, the economic benefits, job opportunities, and memories that these sporting events bring, contribute greatly to the quality of life across our fine province.

Supporting Local Governments

Madam Speaker, our government believes in working in partnership with local governments to make Manitoba the best place in Canada to live.

Direct grants to municipalities include the provincial-municipal tax-sharing (PMTS) payments. This year, the PMTS payments will total \$64.2 million, up 4 percent from 1997-98. Manitoba is the only province to allocate a portion of provincial personal and corporate income tax revenues directly to local governments.

The Rural Economic Development Initiative (REDI) was established by our government in 1992 to stimulate long-term economic development and diversification in rural communities. Madam Speaker, this year an additional \$1.8 million will be dedicated to REDI. As well, I am pleased to report that over \$13 million has

been approved for major water and sewer projects throughout our province.

Last year, our government committed \$96 million in capital funding to the City of Winnipeg under a third six-year Urban Capital allocation project. This budget includes \$18.5 million for our contribution toward urban capital projects in 1998-99, an increase of \$2.5 million from last year's budget. Over and above urban capital projects, I am also pleased to announce that our government will contribute \$5 million for residential street repairs in Winnipeg in 1998.

Highway construction and maintenance create jobs and facilitate the greater movement of goods and people throughout our province, linking our communities, and benefiting our entire economy. Madam Speaker, this budget provides an additional \$7.1 million for highway construction. Further, an additional \$3.2 million will be spent on highway maintenance. In total, our government will spend over \$170 million on improving our province's roads and highways in 1998-99, \$10 million more than last year.

Northern Manitoba

Madam Speaker, our government believes in the importance of ensuring all regions of Manitoba share in the economic benefits we are enjoying.

The sustainability of Manitoba's northern communities is of vital importance to the continued strength of Manitoba's economy. Our goal is to improve the ability of northern communities to deliver municipal services independently. Madam Speaker, I am pleased to be able to announce \$500,000 for a new initiative creating sustainable communities. My colleague the Minister of Northern Affairs (Mr. Newman) will work with northern communities to ensure that a more independent and sustainable service delivery structure is in place.

Madam Speaker, the development of infrastructure will improve the quality of life in northern communities. Therefore, in 1998-99, \$3.6 million or \$1 million more than 1997-98, will be spent on capital projects that are related to infrastructure development in a number of northern communities.

Madam Speaker, this budget continues our support for programs such as the Northern Youth Summer Program. Through this program, a variety of students from across our province travel to remote northern communities to offer recreational and educational activities to children.

I am pleased to report that we are making a major contribution to develop the potential of Canada's only major Arctic port at Churchill. Manitoba will contribute \$6 million for harbour dredging over these next two years.

Madam Speaker, Manitoba's billion-dollar minerals industry provides an economic base for several communities in both the North and the South. Geologists believe that extensive tracts of untapped mineral deposits remain to be discovered.

Therefore, Madam Speaker, this budget continues the Mining Exploration Assistance Program, the Petroleum Exploration Assistance Program and the Prospectors Assistance Program.

Manitoba's Economy—Growing Stronger

Madam Speaker, Manitoba has one of the strongest economies in all of Canada. Our growth rate has ranked in the top three among the provinces for three consecutive years. Our economy is stronger now than it has been in many years.

I would like to review some of the economic highlights of 1997.

* Employment grew by 2.4 percent in 1997—the largest annual increase in 11 years. All of the increase was in the private sector, and all of the new jobs were full time. It is my opinion that one of the most important accomplishments in 1997 was the decline in the annual unemployment rate to just 6.6 percent—the lowest level since 1981. Manitoba today employs more of our working-age population than we did in any year during the decade of the 1980s, and the unemployment situation continues to improve. In January it was just 5.7 percent.

* In 1997, total investment growth in Manitoba exceeded the national average for the fifth time in six

years. Since 1991, total investment in Manitoba has increased 36 percent—nearly double the national increase.

* Farm cash receipts grew much faster than the national average in 1997 and reached a new record high of \$3 billion. This was the sixth consecutive year that farm cash receipts achieved a new record level in our province.

* Manufacturing shipments expanded at a double-digit rate reaching \$10 billion for the first time. I am especially pleased to report that since 1991, manufacturing investment in our province has grown at 10 times the national growth rate.

* The growth in Manitoba's exports to foreign countries exceeded the national increase for a fourth consecutive year. Our exports to the United States have tripled since 1990.

Madam Speaker, it is no coincidence that employment has shown strong growth, driving down the unemployment rate, at the same time that our government has restored order to Manitoba's public finances.

That is not to say, Madam Speaker, that we are satisfied. On the contrary, all Manitobans want to see the unemployment rate go lower still. But it is clear that balanced budgets and competitive tax rates are key elements in any strategy to create and maintain a full-employment economy.

Again, Madam Speaker, balanced budgets create jobs.

Sharing the Benefits of a Strong Economy

Madam Speaker, the foundation of our fiscal policy has always been to create conditions conducive to strong economic growth and jobs.

* (1150)

Our success can be seen in Manitoba's low unemployment rate and the impressive growth in the economy. However, the most direct evidence can be found in the exceptional record of private sector

investment. In 1998, Manitoba will record its seventh consecutive year of rising private investment. Only Alberta has such a consistent record of increases within Canada. This consistency says a great deal about the strong and rising business confidence in our province. Acrylon Plastics, Maple Leaf Foods, MCI, the Royal Bank, Springhill Farms and Winpak are just a few examples of the local, national and international companies that are helping to expand and diversify our economy and create thousands of new jobs.

Madam Speaker, our government has pursued a variety of targeted initiatives to promote investment and job creation in our province, such as tax credits for manufacturing and research and development.

Last year, we introduced the Manitoba Film and Video Production Tax Credit to advance the film industry in our province. It is projected that production activity will double to over \$40 million in 1998.

Madam Speaker, since we took office in 1988, our government has reduced the impact of the payroll tax by increasing the exemption level for annual payrolls. The number of employers subjected to the tax has been cut 78 percent, from about 8,000 in 1988, to 1,800 now.

Madam Speaker, with this budget we are cutting the payroll tax rate. Effective January 1, 1999, the payroll tax rate will be cut from 2.25 percent to 2.15 percent. This is an important step in reducing this tax on jobs. We believe it will encourage employers to expand their operations in Manitoba and to hire more Manitobans. Manitoba continues to do its part in keeping payroll taxes down.

Madam Speaker, to further encourage investment and job creation, I am pleased to announce that the corporation capital tax exemption will be increased from \$3 million to \$5 million of taxable capital, effective for taxation years ending after January 1, 1999. This change will mean that 900 more companies will no longer have to pay this tax.

Madam Speaker, we have all heard concerns about the potential impact of the year 2000 issue for businesses and governments computer systems. Therefore, I am pleased to announce that the provincial sales tax will no longer be applied to custom-developed

computer software. This change will assist businesses in preparing for the year 2000, and it will help firms acquire and use specialized software at a lower cost. This, in turn, will create more jobs right here in our province.

Madam Speaker, in co-operation with our private sector partners, our government has worked to increase the annual supply of venture capital to approximately \$30 million in 1997. We have set a goal to double this commitment to \$60 million per year by the year 2000.

To provide much-needed capital to Manitoba's science and technology sector, Madam Speaker, I am very pleased to announce that we have committed \$5 million to create the Manitoba Science and Technology Fund. This investment is expected to leverage \$15 million to \$25 million of private sector venture capital which will be used to assist high technology Manitoba companies. My colleague the Minister of Industry, Trade and Tourism (Mr. Downey), will provide additional details on this new fund.

Madam Speaker, to further strengthen the research infrastructure in our province, I am also pleased to announce that our government will invest \$7 million in 1998-99, and a total of \$35 million over five years in a new initiative called the Manitoba Innovations Fund. This initiative will allow proponents to carry out world-class scientific research and technology development in the fields of science, health, engineering and environment. This initiative will fund projects on its own or in concert with the Canada Foundation for Innovation.

Madam Speaker, our government is continuing to encourage crop diversification and value-added activities. Accordingly, I am pleased to announce the expansion of the Diversification Loan Guarantee Program offered through the Manitoba Agricultural Credit Corporation. This program helps farmers access the capital necessary to diversify into more profitable commodities and add value to primary production. My colleague the Minister of Agriculture (Mr. Enns) will provide further details on the expansion of this program.

In addition, Madam Speaker, our government is expanding our contribution to the Agri-Food Research

and Development Initiative by over \$3 million this year. This will bring our total commitment to this initiative to \$6.5 million in 1998-99.

Research and development activities are essential for sustained economic growth and the creation of high-quality jobs both now and in the future.

Madam Speaker, our government is investing more funds to provide our hospitals, universities, colleges, research foundations, businesses and entrepreneurs with the resources they need to undertake exciting new research or expand their activities in innovative ways. Our five new and enhanced initiatives, totalling \$25.5 million, show our strong commitment to research and development activities right here in Manitoba.

Flood of the Century

Madam Speaker, significant provincial, federal and municipal financial resources were spent fighting the flood last spring. In 1998-99, additional resources will be directed to disaster-assistance payments, to reconstruct our communities, as well as to floodproof against future floods. It is estimated that total expenditures on flood-related measures will exceed \$400 million. Of this total, our government's share is expected to be approximately \$100 million.

The total resources will go toward:

- * Disaster assistance costs related to the 1997 flood.
- * The repair and replacement of infrastructure, bridges, dikes and drains which were damaged or destroyed during the 1997 flood.
- * Home and business floodproofing, and building community ring dikes.

Manitoba's former Premier the Honourable Duff Roblin had a vision which inspired the building of the floodway. Time and time again, Duff's Ditch has saved the City of Winnipeg from flooding. Our government would like to formally recognize his vision. Madam Speaker, I am very pleased to announce that a park will be built and dedicated to the Honourable Duff Roblin.

Quality Service

Madam Speaker, Manitobans can be proud of the fact that we have the lowest-cost government anywhere in Canada. Spending taxpayers' money wisely continues to be extremely important to our government and Manitobans.

* (1200)

Our government continues to pursue new ways to offer excellent public services at the lowest-possible cost to taxpayers. These include the One Tier Welfare Initiative which will streamline the administrative processes for delivering income assistance within Winnipeg, with the province assuming responsibility for the delivery of these services.

A further example is the devolution of active training measures from the federal government to the province.

Our government and the federal government have agreed to establish a jointly operated Business Service Centre in Winnipeg. This centre will provide a single point of access for service to small- and medium-sized firms.

Fiscal Stabilization Fund

Madam Speaker, in 1989, our government established the Fiscal Stabilization Fund to act as a savings account. During budget consultations, Manitobans told us that the fund must remain and continue to support our strong financial footing. The Balanced Budget, Debt Repayment and Taxpayer Protection Act sets a target of a minimum balance in the Fiscal Stabilization Fund of 5 percent of Consolidated Fund expenditures or about \$280 million.

In 1998-99, a \$226 million transfer will be made from the Fiscal Stabilization Fund to finance a number of one-time initiatives in priority areas. These include:

- * An additional \$75 million payment for debt payment. This doubles our 1998-99 debt payment to \$150 million.
- * \$60 million to further bridge the drastic federal funding cuts to health, education and family services.

* \$41 million to cover the province's 1998-99 share of the 1997 flood costs and the floodproofing program designed to rebuild and protect homes, businesses and farms in the future.

* \$50 million to support special capital initiatives. These expenditures will create jobs and contribute to further economic development. Some of the projects to be funded in 1998-99 include:

- * \$5 million for residential street repair in Winnipeg;
- * \$5 million for highway construction;
- * \$5 million for medical equipment; and
- * \$7 million toward the Manitoba Innovations Fund.

The transfer will bring the balance of the fund to approximately \$340 million as of March 31, 1999. A second \$50 million draw for special capital initiatives will be made next year provided our fiscal targets are met.

The Fiscal Stabilization Fund will continue to provide welcome insurance that we will be able to sustain public services even in the event of unforeseen difficulties.

Keeping Manitoba's Taxes Competitive

Madam Speaker, our government understands that a fair and competitive tax system is the key to a strong economy. Therefore, I am very pleased to announce that we are cutting our personal income tax rate. The personal income tax rate will fall from 52 percent to 50 percent.

The reduction will take effect in two stages: for 1998, Manitoba's personal income tax rate will be cut from 52 percent of federal basic tax to 51 percent. Taxpayers will see the benefits of the reduction on their pay slips starting July 1 of this year.

On January 1, 1999, Manitoba's personal income tax rate will be cut to 50 percent. As a result, Manitobans' personal income taxes will be cut by \$22 million in 1998, and by \$45 million in 1999.

Madam Speaker, all Manitoba taxpayers will benefit from these tax cuts. They leave more money in taxpayers' hands to spend as they choose. They will also help business in our province retain and attract skilled workers. The tax cuts keep Manitoba's tax rates competitive with other provinces. In turn, Manitobans' spending and investment decisions will stimulate more economic growth and more jobs.

1997-98 Fiscal Results

In 1997-98, we will achieve a third consecutive budgetary surplus. The 1997-98 surplus is now projected to be \$44 million. As we announced in the 1997 budget, Madam Speaker, our government made its historic first payment into the Debt Retirement Fund. This was the first step of our 30-year plan to remove the burden of debt from our children and grandchildren.

Madam Speaker, the most noteworthy fact is that we have been able to maintain and enhance our funding for health care, education and families, despite federal cuts of about \$240 million annually.

1998-99 Budget Plan

Madam Speaker, this budget is a balanced approach to meeting the priorities of Manitobans. In this budget, we increase our debt payment to \$150 million, \$75 million more than required under our act. In addition, this budget provides over \$100 million more for health care and significantly more resources for education, children and families. This budget also cuts key taxes and maintains our overall tax freeze for the 11th straight year.

Excluding extraordinary items, total revenue in 1998-99 is projected to be \$188 million or 3.5 percent higher than forecast in last year's budget.

Total regular expenditure is up by \$192 million or 3.6 percent. Over 50 percent of this increase is allocated for health care.

Total capital expenditure, including the \$50 million special capital initiative, will be \$363 million. The special capital initiative is targeted for new medical equipment, highways and residential streets, scientific research and other public works.

Madam Speaker, this budget shares the benefits and projects a surplus of \$23 million. Four balanced budgets in a row is a very significant accomplishment and it is an accomplishment that all Manitobans can take pride in, and they can take pride in our financial performance.

The Medium-Term Plan

Madam Speaker, our medium-term plan charts the course that our government will follow over the next four years. The features of this plan are the following:

- * extending the string of balanced budgets to seven;
- * continuing to pay down Manitoba's debt;
- * keeping our taxes competitive with no tax increases;
- * continuing support of priority social programs; and
- * sustaining our commitment to capital spending.

Balanced Budgets: Sharing the Benefits

Madam Speaker, our government's first throne speech, nearly a decade ago, set out our vision for Manitoba. We wanted to create:

“A competitive and diversified economy which will provide increased job opportunities for our citizens, and pay for quality health, education and social programs.”

Madam Speaker, that first throne speech also set out our path to that goal:

“By living within our means, our government will be able to introduce measures to reduce the burden of taxation and strengthen the competitiveness of Manitoba industry.”

Under the leadership of Premier Filmon, we have never lost sight of that goal. With the continued support of Manitobans, we delivered on what we promised.

Our policies have proven themselves, Madam Speaker, and we will continue to build on

them. By keeping our budgets balanced and our financial house in order, our economy will continue to grow even stronger, creating more jobs and new opportunities.

Now, Madam Speaker, as we move closer to a new decade and a new century, we can set our sights even higher.

- * We will continue to balance the budget.
- * We will further improve health care and education for Manitobans.
- * We will make our communities safer.
- * We will eliminate our province's debt.
- * We will keep our taxes competitive and encourage further investment.
- * We will create more jobs.

In short, Madam Speaker, our goal is to see Manitobans all across our great province share in the benefits of balanced budgets and a strong economy.

Thank you very much, Madam Speaker.

Madam Speaker: Order, please.

Mr. Gary Doer (Leader of the Opposition): I move, seconded by the member for Kildonan (Mr. Chomiak), that the debate on the budget now be adjourned.

Motion agreed to.

Mr. Stefanson: Madam Speaker, I move, seconded by the Minister of Justice (Mr. Toews), 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.

* (1210)

Mr. Stefanson: Madam Speaker, 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

Mr. Stefanson: Madam Speaker, I have two messages from His Honour the Lieutenant Governor.

Madam Speaker: 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, 1999, 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 capital expenditures and

recommends these Estimates to the Legislative Assembly.

Mr. Stefanson: Madam Speaker, I move, seconded by the Minister of Family Services (Mrs. Mitchelson), that the messages together with the Estimates accompanying the same be referred to the Committee of Supply.

Motion agreed to.

* * *

Hon. James McCrae (Government House Leader): Madam Speaker, I move, seconded by the honourable Deputy First Minister (Mr. Downey), that this House do now adjourn.

Motion agreed to.

Madam Speaker: This House is accordingly adjourned and stands adjourned until 1:30 p.m. Monday next.

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, March 6, 1998

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