



Second Session - Thirty-Seventh Legislature

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
(Hansard)**

*Published under the  
authority of  
The Honourable George Hickes  
Speaker*



Vol. LI No. 10 - 1:30 p.m., Tuesday, April 10, 2001

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Seventh Legislature**

Member	Constituency	Political Affiliation
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy	St. Vital	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DACQUAY, Louise	Seine River	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
FRIESEN, Jean, Hon.	Wolseley	N.D.P.
GERRARD, Jon, Hon.	River Heights	Lib.
GILLESHAMMER, Harold	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
PENNER, Jack	Emerson	P.C.
PENNER, Jim	Steinbach	P.C.
PITURA, Frank	Morris	P.C.
PRAZNIK, Darren	Lac du Bonnet	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupert Island	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim	Assiniboia	N.D.P.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Joy	Fort Garry	P.C.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan	Dauphin-Roblin	N.D.P.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 10, 2001

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### MATTER OF PRIVILEGE

#### Rural Manitoba—Economic Crisis

**Mr. Jack Penner (Emerson):** Mr. Speaker, I rise on a matter of privilege to bring forward a most pressing issue that would otherwise be unable to be addressed due to the upcoming debate on the provincial budget. There is an urgent need to draw attention to the members of this House, to the socio-economic disaster that is currently facing many of our rural communities.

As a rural MLA and critic for Agriculture and Food, I believe I have a moral obligation to bring these matters before the House in order that they might be debated in a timely fashion, so that a meaningful solution might be brought and found to the challenges facing our rural communities. The threat to rural Manitoba residents and to the livelihoods and way of life is very real. Ongoing agricultural subsidies where farmers in the United States receive double for their produce than Manitoba farmers do are a real concern, and we believe that this Government must take action immediately to ensure that farmers are in a competitive position.

The huge increases in fertilizer, in fuels and chemicals are going to have a dramatic impact to the farm community. Farmers are similarly challenged by dramatic increases in taxes on their farm buildings and land due to higher education taxes, huge increases in transportation costs and handling costs and the cumulative negative effect of several years of adverse weather conditions. Nowhere is the situation more severe than in those areas of Manitoba that were devastated by flooding and excess moisture in 1999.

The former government put in place a \$50-an-acre non-seeded acreage payment and a \$10-

an-acre seeding assistance program, and yet this Government has failed to recognize the dilemma that we are facing. The disastrous downturn in the primary agricultural economy is being felt throughout the province. Thousands of acres of land are either for sale or rent. Young farmers are moving off the land in numbers that we have never experienced in this province's history before.

There are 40 homes for sale in Melita. There local residents are forced to make tough decisions to move their young families off the farm and seek employment elsewhere. Young farmers are quitting and their children and families are leaving our communities. Preschool-aged children are no longer to be found in some communities. There is one municipality in this province, Mr. Speaker, that has only one family with preschool-aged children.

What is going to happen to our children who are needing to get education in those areas? Are we going to say to them that you are going to probably have to enter boarding school, or how far are we going to let this disastrous situation go? We are seeing schools closed at Tilston, at Westbourne, at Clearwater, and at Belmont. Where are these young people going to get their education when these schools are closed?

Health services are a real concern in many of the areas. The population is fading and doctors are leaving communities. There are no people left. Having access to schools, hospitals and recreational facilities are important to rural communities, not only to farmers but all the people living in our small communities serving those farm communities. The job losses are not just confined to the farms. We have seen this year alone that the farm labour pool in Manitoba has shrunk by 14.5 percent. We have seen that 22 000 farmers have left the farms in western Canada. We believe that it is imperative that we recognize the difficulties that some industries find themselves in. Schneider's recognized early on that the \$125-million expansion that they were going to go into, employing 1400 people, would not be feasible in the long term in Manitoba.

\* (13:35)

The 1200 jobs that used to be housed at Versatile are no longer there. There were less than a hundred four-wheel-drive tractors sold in all of western Canada last year. The reason why Versatile is closing is fairly evident and clear. Brett-Young Seeds has indicated that they might want to move to Alberta as many other companies are now indicating that they will move somewhere else, Mr. Speaker. We believe that there might be further chaos created. Which industries are going to be next? Is it going to be the grain industry? Is it going to be the grain-handling industry? We have seen vast numbers of elevators closed in many other areas. Our young family farmers are throwing their hands up and leaving the operations behind, saying they have had enough of subsidizing the cost of food in this country.

Mr. Speaker, the Premier (Mr. Doer) will point out that he has toured rural Manitoba and met with farmers. Well, so have we, and the answers that he has given the press are totally different from the answers that we hear. We are hearing of industries closing in rural Manitoba. We are seeing our young farmers leave, and he has told the Winnipeg Chamber of Commerce that the rural chambers of commerce have told him there is no crisis out there.

Well, that is not what we are hearing, Mr. Speaker. Surely the Premier would have heard the farmers and rural businessmen, if he had listened to them, looking for meaningful, long-term solutions to the challenges facing agriculture and our rural communities. They are committed to seeing rural Manitoba succeed. Does the current government share that dream or commitment? I fear it does not. Given the gravity of the situation as young people leave our rural communities in droves in search of better, more secure ways of life, it is imperative that this House recognize the destruction of our rural communities and be prepared to take action.

Therefore, Mr. Speaker, I would move, seconded by the Member for Kirkfield Park (Mr. Murray), that on Tuesday next, the ordinary business of the House be set aside to debate the socio-economic crisis that rural Manitoba

communities are experiencing due to the ongoing impact of the downturn in grains, oilseeds and specialty crops sectors and the resultant negative impact on rural businesses, industries and communities alike.

**Mr. Speaker:** Order. Before recognizing any other members to speak, I would remind the House that contributions at this time by honourable members are to be limited to strictly relevant comments as to whether the alleged matter of privilege has been raised at the earliest opportunity and whether a prima facie case has been established.

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, just as a preliminary remark, I am sure that never have we had within the walls of this Chamber a matter of policy raised as a matter of privilege. Of course, the member knows full well that matters of privilege regard the rights, duties and issues affecting the ability of MLAs as MLAs to conduct their public business.

Having said that, Mr. Speaker, the member certainly does raise a very pressing and serious matter that faces not just—and this is a significant point—rural Manitobans but all Manitobans and indeed many far beyond the boundaries of this province. It was for that reason that we corresponded and had communications with members, the Opposition House Leader, indeed the Leader of the Liberal Party (Mr. Gerrard) a couple of weeks ago, suggesting that we bring in on an emergency basis a resolution to this House to deal with this issue and send a strong message.

But, Mr. Speaker, aside from the tactics of the Opposition, which they are entitled to pursue, I think it is important that this Assembly and Manitobans put together a united voice and a strong message to the Government of Canada that it is not playing the role that it must in western democracies, and particularly in this country, to deal with the challenges facing the grains and oilseeds producers, let alone rural economies and, as I said earlier, the entire economy of this province.

\* (13:40)

We have asked for the consent of members opposite by way of that communication, consent that we deal with that resolution on an expedited basis, Mr. Speaker, even in the course of the Budget debate. Second, we have asked for advice on the wording of that resolution so we could come indeed in a united way into this Chamber to deal with this issue. If members opposite indeed are sincere, and I believe they are, I wonder then why have we not received a reply to those requests.

Now, Mr. Speaker, as well, I just want to note that there have been communications between the Leader of the Opposition (Mr. Murray) and the Premier (Mr. Doer), and as late as yesterday the Premier responded to the Leader of the Opposition with a letter regarding the draft resolution that has been forwarded to members opposite on the agriculture crisis. I will just quote that letter, and then I will table it as required, that this is indeed a serious and immediate issue which my Government has been working on for some time. We have recently committed to spending \$52 million in additional support for producers, \$38 million for the provincial contribution to the federal assistance package, plus a \$14-million increase for the federal-provincial Canadian Farm Income Program.

As you know, the Minister of Agriculture and Food (Ms. Wowchuk) and I met with producers at the Legislature in March. During the past few weeks, we have also discussed the farm crisis with Keystone Agricultural Producers president Don Dewar and the Association of Manitoba Municipalities board of directors. I had the opportunity to meet with many producers and rural organizations during my March tour of the 20 Manitoba communities. I have also recently written to Prime Minister Jean Chrétien requesting further assistance from the federal government for producers.

Our Government does intend to continue with our efforts and consultations. We will, therefore, be referring the resolution, which I spoke of earlier, Mr. Speaker, to a standing committee of the Legislature to hear presentations from the public on this important issue. While many organizations and individuals have approached the federal government for

additional assistance, we believe these public hearings will allow us to form a truly unified Manitoba position.

It then goes on to say that he has asked me to engage in further discussions with the House leader and the Leader of the Liberal Party (Mr. Gerrard) to discuss the process and timing for the sitting of the standing committee. I will table that now.

Mr. Speaker, given our interest in particular in finding out what the position of the Leader of the Opposition (Mr. Murray) is on this issue, we will certainly want to expedite the consideration of this. Indeed, we are prepared to take extraordinary measures to ensure a united voice going to Ottawa. Accordingly, although that certainly was no matter of privilege, I am sure that member knows full well that was not, the resolution itself appears to be acceptable to this side, although we do want to enhance it with ensuring the standing committee meet to discuss this and hear from Manitobans and play an educational role to ensure that all Manitobans know that this is not simply a rural issue. This is about Manitobans.

**Hon. Jon Gerrard (River Heights):** I ask for leave to speak, Mr. Speaker.

**Mr. Speaker:** Leave is not required when responding to a matter of privilege.

**Mr. Gerrard:** I rise to speak in support of this matter of privilege and the Member for Emerson (Mr. Jack Penner).

I believe that the prima facie case for this resolution is in what is happening all over rural Manitoba. It is very clear, and not much more needs to be said for anybody who has travelled out in rural Manitoba. I think the timing next Tuesday would be appropriate because it is very important that we have the Budget presented to see what this Government is going to do, and I think it is very important that we have before this the decision by the Minister of Agriculture (Ms. Wowchuk) on how she is going to divide up the \$93 million in federal and provincial funds, because that decision is also urgently needed.

\* (13:45)

**Mr. Marcel Laurendeau (Opposition House Leader):** Mr. Speaker, just a couple of brief notes, I am afraid I was on a phone call on the flood, so I could not quite be here at the time that the debate started. I apologize to the House.

I heard the honourable House Leader's speech from my chambers. I do believe that this is a resolution that we could pass here in the House today and with further discussion we could enhance, not this resolution, and come forward with a common front.

**Mr. Mackintosh:** Well, having heard as well from the Leader of the Liberal Party, we certainly are prepared if there is the will of the House to accept what is in the motion that is indeed at least what we intended and hoped we would have a resolution on.

**Mr. Speaker:** A matter of privilege is a serious concern. I am going to take this matter under advisement to consult the authorities and will return to the House with a ruling.

**Mr. Laurendeau:** Mr. Speaker, I thought that we might seek unanimous consent to pass this resolution so you would not have to take it under advisement.

**Mr. Speaker:** On the ruling, the House can bring a motion forward to ask unanimous consent, but I still am obligated to make a ruling on the matter of privilege that was raised.

**Mr. Mackintosh:** Mr. Speaker, can I propose that you would accept the resolution brought forward under the guise of a matter of privilege but accept it as a motion brought by consent of the House and ask if it is the will of the House to allow that question to be put?

**Mr. Speaker:** Would the House consider that the motion has been moved by unanimous consent? Agreed? *[Agreed]*

The motion that was put forward, not as a matter of privilege but as a motion, it was moved by the honourable Member for Emerson (Mr. Jack Penner), seconded by the honourable Member for Kirkfield Park (Mr. Murray),

THAT on Tuesday next, the ordinary business of the House be set aside to debate the

socio-economic crisis rural Manitoba communities are experiencing due to the ongoing impact of the downturn in the grains, oilseeds and specialty crops sectors and the resultant negative impact on rural businesses, industries and communities alike.

Is it the will of the House to adopt the motion?

*Motion agreed to.*

\* (13:50)

## PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

### Standing Committee on Public Utilities and Natural Resources

#### First Report

**Ms. Bonnie Korzeniowski (Chairperson of the Standing Committee on Public Utilities and Natural Resources):** Mr. Speaker, I beg to present the First Report of the Standing Committee on Public Utilities and Natural Resources.

**Madam Clerk (Patricia Chaychuk):** To the honourable Legislative Assembly of Manitoba, your Standing Committee on Public Utilities and Natural Resources—

**An Honourable Member:** Dispense.

**Mr. Speaker:** Dispense.

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

#### **Meetings:**

*Your committee met on Monday, January 22, 2001. The meeting was held in Room 255 of the Legislative Building to consider Annual Reports referred.*

#### **Matters Under Consideration:**

*Annual Report of the Manitoba Public Insurance Corporation for the year ended February 29, 2000*

**Membership Resignations / Elections:**

*Your committee elected:*

*Mr. Dewar as the Vice-Chairperson.*

*By leave, your Committee accepted the resignations of:*

*Mr. Reid*

*Hon. Ms. McGifford*

*Hon. Ms. Barrett*

*Your committee elected:*

*Mr. Schellenberg*

*Mr. Rondeau*

*Hon. Mr. Mackintosh*

**Officials Speaking on Record:**

*Ms. Shari Decter Hirst, Chairperson of the Board*

*Mr. Jack Zacharias, Chief Executive Officer and President*

**Reports Considered and Reported:**

*Your committee has considered the Annual Report of the Manitoba Public Insurance Corporation for the year ended February 29, 2000, and has adopted the same as presented.*

**Ms. Korzeniowski:** Mr. Speaker, I move, seconded by the honourable Member for Assiniboia (Mr. Rondeau), that the report of the committee be received.

**Motion agreed to.**

**Standing Committee on  
Public Utilities and Natural Resources  
Second Report**

**Ms. Bonnie Korzeniowski (Chairperson of the Standing Committee on Public Utilities and Natural Resources):** Mr. Speaker, I beg to present the Second Report of the Standing Committee on Public Utilities and Natural Resources.

**Madam Clerk:** Your Standing Committee on Public Utilities and Natural Resources—

**An Honourable Member:** Dispense

**Mr. Speaker:** Dispense.

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

**Meetings:**

*Your committee met on Monday, March 19, 2001, at 10 a.m. in Room 255 of the Legislative Building to consider Annual Reports referred.*

**Matters Under Consideration:**

*Annual Reports of the Manitoba Liquor Control Commission for the fiscal years ended March 31, 1997, March 31, 1998, March 31, 1999, and March 31, 2000.*

**Membership Resignations / Elections:**

*By leave, your committee accepted the resignations of:*

*Hon. Mr. Mackintosh*

*Hon. Mr. Lemieux*

*Mr. Cummings*

*Mr. Loewen*

*Your committee elected:*

*Hon. Mr. Smith (Brandon West)*

*Mr. Aglugub*

*Mr. Helwer*

*Mrs. Stefanson*

**Officials Speaking on Record:**

*Ms. Carmen Neufeld, Chairperson of the Board  
Mr. Don Lussier, Acting Chief Executive Officer and President*

**Reports Considered and Reported:**

*Your committee has considered the Annual Reports of the Manitoba Liquor Control Commission for the fiscal years ended March 31, 1997, March 31, 1998, and March 31, 1999, and has adopted the same as presented.*

**Ms. Korzeniowski:** Mr. Speaker, I move, seconded by the honourable Member for St. Vital (Ms. Allan), that the report of the committee be received.

**Motion agreed to.**

**Standing Committee on  
Privileges and Elections  
First Report**

**Mr. Conrad Santos (Chairperson of the Standing Committee on Privileges and Elections):** Mr. Speaker, I beg to present the First Report of the Standing Committee on Privileges and Elections.

**Madam Clerk:** Your Standing Committee on Privileges and Elections—[interjection]

**Mr. Speaker:** Dispense.

*Your Standing Committee on Privileges and Elections presents the following as its First Report.*

**Meetings:**

*Your committee met on Tuesday, January 30, 2001. The meeting was held in Room 255 of the Legislative Building to consider Annual Reports referred.*

**Matters Under Consideration:**

*The 1988, 1990, and 1995 Statutory Reports of the Chief Electoral Officer on the Conduct of Provincial General Elections*

*The 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996 and 1997 Annual Reports on The Elections Finances Act*

*The 1998 Annual Report of the Chief Electoral Officer*

*The 1999 Annual Report of the Chief Electoral Officer including the conduct of Provincial General Elections*

*Report of the Chief Electoral Officer on the Crescentwood and Portage la Prairie By-Elections, September 1992*

*Report of the Chief Electoral Officer on the Osborne, Rossmere, Rupertsland, St. Johns and The Maples By-Elections, September 1993*

*Statutory Report of the Chief Electoral Officer on the Portage La Prairie By-Election, September 1997*

*Statutory Report of the Chief Electoral Officer on the Charleswood By-Election, April 1998*

**Membership Resignations / Elections:**

*By leave, your Committee accepted the resignations of:*

*Mr. Penner (Emerson)*

*Mr. Maloway*

*Your committee elected:*

*Mr. Murray*

*Hon. Ms. Mihychuk*

**Officials Speaking on Record:**

*Mr. Rick Balasko, Chief Electoral Officer*

**Reports Considered and Reported:**

*Your committee has considered:  
1988 and 1990 Statutory Reports on the conduct of Provincial General Elections*

*1988, 1989, 1990, 1991, 1992, 1993 and 1994 Annual Reports on the Operations of the Elections Finances Act*

*Report of the Chief Electoral Officer on the Crescentwood and Portage la Prairie By-Elections dated September 15, 1992*

*Report of the Chief Electoral Officer on the Osborne, Rossmere, Rupertsland, St. Johns and The Maples By-Elections dated September 21, 1993*

*and has adopted the same as presented.*

**Mr. Santos:** Mr. Speaker, I move, seconded by the honourable Member for Selkirk (Mr. Dewar), that the report of the committee be received.

**Motion agreed to.**

**MINISTERIAL STATEMENTS**

**Flood Forecast**

\* (13:55)

**Hon. Oscar Lathlin (Minister of Conservation):** Mr. Speaker, I have a statement

to make. I rise today to give a brief report on the flood outlook for southern Manitoba. As I am sure members are aware, there is an increased risk of flooding this spring as a result of recent weather conditions. Therefore, it is my intention to provide this House with a daily update for the next several weeks.

It is the tradition of this House, of course, to pull together in times of crisis, and although we are certainly not approaching the situation we faced in 1997, circumstances are serious. With so much depending on the weather, events can unfold rapidly and I will try to keep members as up to date as possible.

Levels of the Red River rose more than two feet overnight from St. Adolphe to the floodway inlet due to winter ice finally moving from the Ste. Agathe area. The level in downtown Winnipeg rose to 17.8 feet as a result. Additional water was diverted through the floodway this morning to maintain natural levels upstream of the control structure. This will cause levels to fall slightly in the city.

The floodway flow this morning was 13 100 cubic feet per second, while the total flow on the river upstream of the floodway was 53 600 cfs. Levels from Ste. Agathe to St. Jean rose very little since yesterday. The levels should remain fairly stable along the Red River south of Winnipeg for the next few days as local runoff is cresting and the heavy U.S. runoff has not yet arrived. One to two inches of rain is predicted for areas south of Grand Forks for Wednesday night to Thursday. This may lead to an upward revision in the forecast for the Red River. The rain may just lead to a prolonged crest, a high crest, rather than a much higher crest. This situation will need to be reviewed further once rain amounts are known.

Some flooding was reported in the area just south of Breezy Point this morning due to ice jamming. Levels were still below those of 1997 and no buildings were flooded. However, one resident was being evacuated as a precaution. It is likely that the ice will gradually move along with little further increase in water level. However, the chance of a worsening ice jam and some flooding cannot be ruled out. Levels are quite high on the La Salle River but flooding

should be of a minor nature. Channel ice is the main cause of high levels and this should move today or tomorrow, giving some relief. The levels of the Roseau River continue to be very high but have risen only a few inches since yesterday. Additional rises should be quite minor unless heavy rain develops. The threat of ice jamming is fading, although ice remains in some areas.

Runoff is now well underway on the Assiniboine River between Brandon and Portage la Prairie. The Portage Diversion was carrying 1300 cfs this morning, but flows are likely to increase rapidly in the next few days as water is diverted from the Assiniboine River. The Souris River will likely crest early next week at levels below flood stage. However, moderate agricultural flooding will occur in the Coulter area. Manitoba Conservation will continue its monitoring across southern Manitoba and I will be reporting the results to this House daily. Thank you.

**Mr. Glen Cummings (Ste. Rose):** I want to express appreciation to the Minister of Conservation for providing the update and encourage him to continue to do so as he has indicated in his statement. It is very trying times for those who are exposed to potential flooding. We know today that there are some areas that are severely stressed with overland flooding, and we hope that the water starts to recede and does not rise any higher or there will be significant problems in the Roseau area. In fact, there are problems there today.

I do have a couple of concerns that I would like to bring to the attention of the public and to the attention of the minister. It seems to me that it has been used before and might have been advantageous to have done some drilling and perhaps some softening of the ice on the Red River at the northern end because we know that this has potential to cause jams, cause additional flooding and is compounded by the fact that the flood gates when they are opened increase the flow according to what is coming in from the south, but it was I think anticipated there would be a larger flow at that time. I would hope that the department and the minister would keep that in mind for any future events.

\* (14:00)

Secondly, Mr. Speaker, I appreciate the update on all of the various watersheds that the minister mentioned, but there are other areas across Manitoba which have significant snowfall. There will be significant overland flooding, and there will be a lot of work required on provincial drains to make sure that that flooding is minimized this spring and minimized in the future.

Mr. Speaker, lastly I would also take this opportunity to remind the Government that there are a number of permanent dikes that were recommended following the 1977 flood, and the '96 flood I might add as well, that are not yet complete. People who were expecting or who were intending to have those dikes to protect their property are at significant angst, and I hope the Government through the Department of Conservation will rely on their very experienced and highly qualified personnel to lend assistance and direction to these people so they can protect their properties. Again I thank the minister for his statement.

**Hon. Jon Gerrard (River Heights):** I ask for leave to speak on the minister's statement.

**Mr. Speaker:** Does the honourable member have leave? [*Agreed*]

**Mr. Gerrard:** First, thank you to the minister for his update. As I have been out in rural Manitoba, I want to express to the minister the concern that I have heard from many about the status of provincial drains, and I would hope that the minister could give to the other parties an update on the status of provincial drains around the province because many farmers are quite concerned about this and the agricultural lands.

#### TABLING OF REPORTS

**Mr. Speaker:** I am pleased to table the 1999 Annual Report of the Provincial Ombudsman. Copies of this report were previously distributed during the intersessional period.

#### Introduction of Guests

**Mr. Speaker:** Prior to Oral Questions I would like to draw the attention of all honourable members to the loge to my right where we have with us this afternoon Mr. Wally Johannson, the former Member for St. Matthews, and also, in the loge to my right, Mr. Binx Remnant, the former Clerk of the Legislative Assembly.

I would also like to draw the attention of all honourable members to the Speaker's Gallery where we have with us today Chief Larry Soldier, Chief of the Swan Lake First Nation. On behalf of all honourable members, I welcome you here today.

#### ORAL QUESTION PERIOD

##### Meningitis Vaccination Rural Manitoba

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, parents in rural Manitoba are very concerned about the spread of meningitis to rural Manitoba, especially with their children who have had interaction with teens from Winnipeg in schools such as Kildonan East, Grant Park and Kelvin High. With the Winnipeg meningitis campaign nearly completed, can the Premier indicate to the House whether he intends to be fair and ensure equal access to rural Manitobans by making the vaccination available to rural Manitobans who are concerned that their children may be at risk?

**Hon. Gary Doer (Premier):** As has been the tradition in the past, and up until perhaps a few days ago, this House has had a tradition across party lines that the decisions and recommendations that are made to deal with the immunization of our children, both the positive and preventative nature of those immunizations and the potential with some immunizations, the potential increase in defences against future immunizations, if at risk from that disease, those decisions are made totally and solely by public health doctors across the province.

Mr. Speaker, we do not believe in making political decisions on children's health. The decisions should be made by public health doctors.

**Mr. Murray:** Mr. Speaker, I believe it has been a tradition as well for this party to not deny access to anyone.

Can the Premier please explain to rural parents why they are being told they have to both pay for and locate the meningitis vaccine if they wish to have their children vaccinated? Does he believe it is fair to impose this \$50 fee on rural parents even though Winnipeg parents are not required to pay for the vaccine?

**Mr. Doer:** Mr. Speaker, in 1993, I believe, there was an immunization program initiated and paid for by the previous government to a targeted area in Manitoba. It was outside the city of Winnipeg, based on risk. We at that time never said to the members opposite when they were in government that you should override the public health doctors and proceed to immunize all the province of Manitoba contrary to medical advice. We are going to follow medical advice.

**Mr. Murray:** Mr. Speaker, what does the Premier have to say to parents from Oakbank whose teenage children do not go to school in Winnipeg but are friends and neighbours with teens who attend Kildonan East Collegiate? Will he make the vaccine available to those concerned parents?

**Mr. Doer:** Mr. Speaker, again, we asked these same questions in briefings in 1993 with children who were in close proximity to other communities that the former government chose to immunize and we were advised by public health doctors that the immunization itself was not recommended for their own public health benefit.

I think it is important for this House and this Chamber to follow the advice of public health doctors, public health nurses. The moment we heard there was any risk in any area, as the members opposite did in 1993, we respected the advice and the program. The program is not being administered by the Minister of Health (Mr. Chomiak). It is being administered and recommended by the public health doctors across Manitoba.

**Mr. Speaker:** The honourable Leader of the Official Opposition, on a new question.

\* (14:10)

### **Agriculture Government Funding**

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, on a new question. In Sunday's *Winnipeg Free Press*, there was a story about Alan Luke, a 37-year-old farmer from Ste. Rose du Lac region who has decided to park his tractor and pursue a different career. He stated, and I quote: "I've lived my dream on the farm. Now, that's done and over with. It's time to move on."

Sadly, Mr. Speaker, he will not be the only farmer to permanently leave the fields of Manitoba this year. Thousands of agriculture jobs have disappeared in recent months. This takes its toll not only on farm families but on the businesses, services, industries and communities that rely on the agriculture sector. Some of these people are represented in the gallery today.

In very short order, this Government will bring down its Budget, sending a critical message to Manitobans about our future. We wonder if this Government sees a future for agriculture and for our rural communities.

Mr. Speaker, will the Premier tell this House if this Budget will include a substantive increase in funding for agriculture?

**Hon. Gary Doer (Premier):** Mr. Speaker, the member opposite knows that the Budget is presented when the Budget is presented in the Chamber.

The issue of agriculture, I think it is important to note that we last year agreed to a \$40-million payment on top of the \$60 million with the federal government to deal with the income crisis in the grain and oilseed sector. We were one of only two provinces that felt there was a crisis and tried to do something about it, and I want to thank members opposite for joining with us. We also felt that the federal program when it was first rumoured to be quite a bit higher than what it was, it would deal with the bridging of the horrible situation with the commodity subsidies in the United States. It is not double but triple now, if not to some

calculations quadruple. I think in the *Globe and Mail* this weekend they talked about 48 cents on the American subsidies on the dollar compared to 12 in Canada. So it is unbelievable, in terms of the European subsidies over 50 cents on the dollar, the situation in which that places Manitoba and Canadian farmers.

We were asked, after we pushed for a long time, for an additional support of agriculture. We joined in with the federal program. We had some advice, I would say a minority of advice told us not to join the federal program and try to hold out. We felt we had to join that program. We felt that by signing a cheque for \$38 million on top of the extra \$14 million that we had approved in income support programs, which by the way is historical levels relative to previous years in budgets, that that was the right thing to do. I noted that we had the intestinal fortitude to say that we would join the federal program and push for more money that was needed, but when the member opposite was asked for his position he did not have one.

**Mr. Murray:** I was under the impression it was a fairly straight-ahead question, one that really demonstrates again that we are dealing with a government that clearly has no plan or vision for this province's agriculture sector. Clearly it is not the message that farmers and people sitting here in the gallery today and their colleagues throughout the province wanted to hear.

So, Mr. Speaker, I will ask again: Will the Premier now indicate if any plan the Government has for the province's agriculture sector, whether it intends to offer any comfort, any hope to struggling farmers in rural communities?

**Mr. Doer:** Mr. Speaker, we have historic levels of income support in our last year's Budget, and the member opposite will shortly see the current year's Budget presented in this Chamber.

The member opposite will know that we believe and strongly believe that the federal government must, must bridge the commodity discrepancies between Canada, the United States and Europe to protect the family farm,

particularly the family farms that are dealing with oilseeds, grains and specialty crops affected by this crisis.

We strongly believe that this House should unite. We strongly believe that we should unite with the \$93 million in income in our hand and go forward to Ottawa and to Canada in a united way. I worry about the partisan nature of the questioning. When we were in Opposition we joined with the then-Premier to call on a united front in this Chamber. Mr. Speaker, I say to members opposite, if we really care about the plight of the family farm, then it is essential that we not play politics and we leave this House united, united to Ottawa on behalf of the family farmer.

**Mr. Murray:** Mr. Speaker, wonderful words, I guess. Unfortunately, knowing how long the agricultural community has been waiting, will the Premier at least assure the struggling farmers who are in the House today that they will not be disappointed once again when this Budget comes down this afternoon?

**Mr. Doer:** Mr. Speaker, the member opposite has asked three questions and not one question deals with the federal government that is responsible for these trade agreements and responsible for the lack of subsidies—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Doer:** Thank you, Mr. Speaker. We improved the crop insurance benefits for unseeded acres of land due to moisture. We reduced the crop insurance premiums. We are working on a drainage strategy to unplug the drains that have been grown over with trees in the last 10 years when members opposite were in government. We have put more money for income support into the agricultural economy in our last 13 months: \$38 million, \$14 million, and an additional \$40 million last year than any time in the history of this Legislature. We made a decision on March 15 to write a cheque for \$38 million to access \$93 million for farmers for this seeding year. We have taken that action, but we say to the members opposite that Canadian farmers and Manitoba farmers cannot compete

with the subsidies at 48 cents on the dollar from the U.S. federal government. We have to go united to Ottawa and match the U.S. subsidies and the European subsidies, and that is what we are committed to.

**Mr. Speaker:** I note that we have an unusually large number of visitors in the public galleries today. I would just like to remind members of the public who are with us today in the gallery that our rules and practices of the House do not allow members of the public to participate in the proceedings here in the Chamber, which includes applauding. I would appreciate your full co-operation.

### **Agriculture Federal Funding—Manitoba's Portion**

**Mr. Jack Penner (Emerson):** Mr. Speaker, I find it extremely interesting that the Premier will try and wax eloquently about what they have done for agriculture. Most of the money that we have seen come to the farmers was taken away under the Crow benefit and then returned as supports by the provincial and federal governments.

I would like to ask the Premier or the minister to explain to farmers what kind of a deal this Government has negotiated in Ottawa. I ask why is it that Newfoundland, under the new program that we have just agreed to, the \$500-million federal, the \$333-million provincial that we have agreed to, why is it that Newfoundland gets \$46 an acre, Prince Edward Island \$21, Nova Scotia \$26, New Brunswick \$19, Québec \$21, Ontario \$20 and British Columbia \$27?

Mr. Speaker, Manitoba's portion is \$7.45. Where was our Government supporting our farmers? Can the Minister explain who negotiated this deal?

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Hon. Rosann Wowchuk (Minister of Agriculture and Food):** Mr. Speaker, it is interesting that the member should begin to talk about the Crow benefit and the loss of it, because if you look back at history and some of

his comments, his government supported the removal of the Crow benefit for our producers. That is the legacy of that government. They lobbied for the elimination of the Crow benefit.

The member who just asked the question said that when the Crow was removed there would be all kinds of prosperity in Manitoba. Now he is complaining about it being removed.

Mr. Speaker, with respect to the program, he will remember, and I have told members in Opposition that, when we were told, we were called 15 minutes before the federal Minister of Agriculture made his announcement on the program of the \$500 million. There was no negotiation on this program. The federal government said this is the amount of money we have. Either you take it or there is no program. We decided that we were taking that program.

\* (14:20)

### **Agriculture Government Funding**

**Mr. Jack Penner (Emerson):** Mr. Speaker, I would like to ask the Premier (Mr. Doer) or again the minister: Who is in charge of negotiating on behalf of Manitoba farmers? Who is sent to Ottawa, and what kind of direction does this Government, does this Premier give to his minister when he sends his minister to Ottawa to negotiate? What kind of direction did he give her? Did he tell her that we had no money to put into this? Is it correct that the minister—

**Mr. Speaker:** Order.

### **Point of Order**

**Hon. Gord Mackintosh (Government House Leader):** Mr. Speaker, since we last were here we never changed the rules. The member knows full well there is no preamble in supplementary questions, but I believe the member in particular has asked I do not know how many questions. He is to put one simple supplementary question. Would you please direct him accordingly?

**Mr. Speaker:** On the point of order raised by the honourable Government House Leader, he

does have a point of order. *Beauchesne's* Citation 409(2) advises that a supplementary question should not require a preamble. I would ask the honourable member to please put his question.

\* \* \*

**Mr. Jack Penner:** I will ask, Mr. Speaker, one very simple question. Is it correct that the minister said to her annual meeting, when the NDP met at their annual meeting: Mr. Sale and Mr. Chomiak, you can rest assured, I did not give any money to agriculture.

**Mr. Speaker:** Order. I know we have had a—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order. I would just like to take this opportunity to remind all honourable members, when referring to honourable members in this Chamber, to refer to the members by their constituencies or ministers by their titles.

The question has been put.

**Mr. Jack Penner:** I will ask the question in the correct way. Did the Minister of Agriculture, at the end of the annual meeting, say to the Minister of Family Services (Mr. Sale) and the Minister of Health (Mr. Chomiak): You can rest assured I did not give farmers any new money? Is that correct?

**Hon. Rosann Wowchuk (Minister of Agriculture and Food):** Mr. Speaker, I would just have to tell the member, I could give him a lot of information, but, no, that is not an accurate statement.

### Agriculture

#### Federal Funding—Manitoba's Portion

**Mr. Jack Penner (Emerson):** We will read back the transcripts from her annual meeting to her. I would like to ask the minister—

**An Honourable Member:** Got Stockwell Day's private detective.

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Jack Penner:** Well, Mr. Speaker, I think we have just seen a demonstration of the quality of the person we have leading this province.

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order. The honourable Government House Leader, on a point of order.

### Point of Order

**Hon. Gord Mackintosh (Government House Leader):** Well, Mr. Speaker, on the so-called matter of privilege to the spectacle on these questions, the member has had three months to put together a question. Would you please ask him if he has a question, because this is a very serious issue?

**Mr. Speaker:** The honourable Official Opposition House Leader, on the same point of order.

**Mr. Marcel Laurendeau (Opposition House Leader):** On the same point of order, Mr. Speaker. The honourable House Leader might have a point of order that the question is not being put, but when the First Minister (Mr. Doer) makes fun of the issue that is being brought forward, it will make the hairs on the back of our critic stand up because he does take this matter to heart.

**Mr. Speaker:** On the point of order raised by the honourable Government House Leader, at this point I would just like to remind all honourable members when posing a supplementary question, it does not require a preamble.

\* \* \*

**Mr. Speaker:** I would ask the honourable Member for Emerson to please put his question.

**Mr. Jack Penner:** Thank you very much, Mr. Speaker. Would the minister be able to tell this House when it is her intention to pay the monies that have already been allocated to farmers,

when it is her intention to pay at least her provincial portion, seeing that Ontario has already been paid theirs and they received \$21 an acre?

**Hon. Rosann Wowchuk (Minister of Agriculture and Food):** Mr. Speaker, this is a very serious situation, and we have producers who are worried about spring planting. It is our intention to flow the money very quickly. We will be announcing the details of the program next week, and the funds should flow.

I will also tell the member that the federal funds will not be flowing to the Province until May, and it is our intention to flow both the federal and provincial money in one cheque. Those funds will flow very soon.

#### **Agriculture Government Funding**

**Mr. Larry Maguire (Arthur-Virden):** Mr. Speaker, this House has had over a year to unite, and there has been no action. In western Manitoba today there is land being rented for taxes, 40 homes for sale in the community of Melita. A dozen businesses have been sold in the community of Souris, and all ages of employees, farmers and their families are leaving their communities and their farms due to the complete callousness of this Government's lack of leadership in providing targeted support to that region hurt by the 1999 flood.

Mr. Speaker, will the Premier (Mr. Doer), having been told time and time again both inside and outside this House about this disaster, promise these citizens of southwestern Manitoba that he will implement, at the very least, some targeted support for that region?

**Hon. Steve Ashton (Minister of Transportation and Government Services):** Mr. Speaker, certainly we do take seriously the situation in southwest Manitoba, and I certainly do, as Minister responsible for EMO. Not only have I been in the southwest and not only met with people in the area, but finally I got a meeting with Art Eggleton, the federal minister, after eight requests and put directly to him a personal appeal for the federal government to do something which the provincial government has

done which is pay a real concern to southwest Manitoba. We pointed out there were costs that they should have covered in 1999 as a direct result of the flood. I can say to the member opposite, I think it would help if we all in this House took the same message to the federal government. The provincial government put in \$72 million. The federal government should be putting in its share.

\* (14:30)

#### **Rose Report Implementation**

**Mr. Larry Maguire (Arthur-Virden):** Mr. Speaker, will the Premier implement the Rose report which provided some economic development opportunities for this region? The Premier has been in southwest Manitoba for photo ops on some occasions, and I ask him if he will come forward and implement the Rose report today in its entirety in support of the economic development of the businesses that are struggling the longer this disaster continues to go on in southwestern Manitoba.

**Mr. Speaker:** The question has been put.

**Hon. Gary Doer (Premier):** We made public the Rose report after it was not made public. We thought that was a very important document for people of southwestern Manitoba. The Rose report has a number of recommendations in it. It deals with the situation on tuition fees for students in that area. We have lowered the tuition fees in our first Budget for all students and made available over \$5 million in bursaries last year. Some of those bursaries certainly went to the kids in that community. I met with a number of high school students just recently from that area in southwestern Manitoba, and a lot of them now are looking at the affordability of university in Manitoba or community colleges or some of the courses.

Part of our community college expansion program is to have an agricultural course provided at ACC, another recommendation or suggestion in the Rose report, and we are moving ahead on that issue. We are working on a couple of economic initiatives that we hope can improve the situation in that particular

region. We also have worked on \$193 million in income because the Rose report says there is a direct connection between agricultural income and the survival of businesses in that area. The \$193 million was of course \$93 million this year and \$100 million last year. A lot of that, because of the grain and oilseed sector, went to that southwestern portion.

We know, and we will acknowledge that the way in which the Red River Valley was treated in the 1997 flood and the way in which the Québec and Ontario people were treated with the ice storm has not been repeated by the federal government for southwest Manitoba. There is a debt owed to southwestern Manitoba under disaster assistance, and we remain committed to our portion of that disaster assistance with the federal government.

**Mr. Maguire:** Mr. Speaker, no wonder the citizens of southwest Manitoba are exasperated. I reiterate again: Will the Premier implement the actions that were called for in the Rose report given that the magnitude of that report was very close to the Premier's own specific pet projects that he has taken on in the last few days in health care?

**Mr. Doer:** I did not quite understand the whole nature of the question. Well, members opposite have to remember that the report was made public by us as a public obligation. One thing—

**Some Honourable Members:** Oh, oh.

**Mr. Speaker:** Order.

**Mr. Doer:** Mr. Speaker, tuition fees doubled, doubled in Brandon in 10 years of Tory rule. They went down by 10 percent. One of the recommendations of the Rose report, they want to selectively pull out the recommendations.

Secondly, one of the other areas that we committed to before the election and we delivered after the election and one of the statements we made in the Melita arena before the election in June of 1999 is that Manitoba needed to expand its crop insurance to have \$50 an acre covered for purposes of unseeded acreage due to moisture and flooding. One of the first acts we took is to put in some long-term

income support for flooded land, again something—

**Mr. Speaker:** Order.

#### **Point of Order**

**Mr. Maguire:** On a point of order, Mr. Speaker, the Premier knows full well that the Rose report was not tabled until the day after the election was called. The Conservative Party could not play politics with a document that was in the hands of the Government during the writ period. The Premier knows full well that now he is playing politics with a document that was released during an election campaign. We do not begrudge the fact that he made the document public afterwards, in May.

Last summer, Mr. Speaker, he used that piece of paper, he used that document as a photo op in southwest Manitoba, to come out to the southwest and say, oh, here it is, but I am not going to do anything for you. He has been back there since, and still sees no economic development or any kind of response to the needs of those people in southwest Manitoba.

**Mr. Speaker:** I would like to remind all honourable members that a point of order is a very serious matter and a point of order should be raised when the rules or procedures of the House are broken and a ruling is called for.

The point of order raised by the honourable Member for Arthur-Virden is a dispute over the facts.

#### **Buhler-Versatile Labour Dispute**

**Mrs. Joy Smith (Fort Garry):** Mr. Speaker, this Government has failed in their attempt to resolve the Buhler-Versatile situation. This situation not only affects the families of 250 employees from the plant but also the Manitoba economy as we see yet another agricultural business leaving the province.

Can the Minister of Labour explain what steps she took to help find a solution to this dispute that would be reasonable to all sides?

**Hon. Becky Barrett (Minister of Labour and Immigration):** Mr. Speaker, it is very unfortunate that we are still in a situation that began with a strike early in November and is now still not decided what the final outcome will be.

We have made available the offices of Professor Wally Fox-Decent, well known in the province of Manitoba as one of if not the premier mediator in labour negotiations, who has had a wonderful record of being able to bring sides together. He has attempted and is still available to speak with the two sides in this labour dispute.

As well, Mr. Speaker, there have been at least two unfair labour practices that have gone before the Labour Board. We are awaiting, as all of us should, the end results of this quasi-judicial process.

As I said, Mr. Fox-Decent is prepared to continue working with the two sides. We are hopeful that the Labour Board can come up with a solution that will be acceptable to all sides so that we can have this labour dispute put behind us and keep the Versatile plant here in Manitoba.

**Mrs. Smith:** Mr. Speaker, why did the Premier (Mr. Doer) and the Minister of Labour let this situation escalate out of control before they took steps to do anything?

**Ms. Barrett:** Mr. Speaker, perhaps the member does not understand the role of labour relations in this province.

The two sides attempted to reach a negotiated settlement through negotiation. It was not happening. The workers took a very legitimate step, which was a strike. We attempted to bring the two sides together, worked with the mediator, Wally Fox-Decent. His suggestions were not acceptable to the employer, although they were to the workers. Subsequent to that the workers have said that they are prepared to go back to work. Mr. Buhler has locked those workers out subsequent to that.

Mr. Fox-Decent is still prepared to meet with the two sides. The Labour Board is involved in at least two unfair labour practices. The Government has done everything the

Government could do to attempt to bring a solution to this process so that we can keep the Versatile plant open here in Manitoba, hiring and working with Manitoba workers.

**Mrs. Smith:** Why will this minister not call the parties and personally attempt to broker a solution between the parties? There has been a precedent set where former Labour ministers have done just that.

**Ms. Barrett:** Mr. Speaker, we have done everything in our power to discuss with the two sides to try and reach a settlement with the two sides in this labour dispute. Mr. Fox-Decent has worked very long and hard with both sides as the premier negotiator and mediator in this province with an exemplary record over a number of governments. The Labour Board is now involved. We are still hopeful that we can come up with a positive settlement to this very unfortunate labour dispute.

\* (14:40)

#### **Foot and Mouth Disease Provincial Action Plan**

**Hon. Jon Gerrard (River Heights):** Mr. Speaker, if the foot and mouth disease epidemic currently in Europe were to arrive in Manitoba the potential consequences for Manitoba are devastating given effects potential on our livestock industry at a time when our grains and oilseeds are having a lot of difficulty. My question to the Minister of Agriculture: Why does she not have a provincial action plan which is carefully detailed and specific on the provincial Web site?

**Hon. Rosann Wowchuk (Minister of Agriculture and Food):** Mr. Speaker, the member raises a very important issue and one that our department is working very closely with the federal department on. I want to tell the member that although he may think there is not a plan in place that there is a plan and people are working very closely. For example, three times a week Vet Services branch sends updates of the foot and mouth disease situation from across the world to our livestock specialists who in turn send it to our agriculture reps. Updates also go to the large animal veterinarians and to all

commodity groups. There is a tremendous amount of information sent out by the department.

I would also like the member to know that today there is a meeting of the Foreign Animal Disease Emergency Strategy. This meeting not only involves our department but it involves EMO, it involves Conservation, Justice, as well as municipal governments. In this way, plans are in place should there be an emergency. But the member also has to remember that this is a federal reportable disease and the federal vets work at it and our vets work very closely with them.

**Mr. Gerrard:** There is a lot that the province needs to do. I ask the minister: Why is it that she has for 18 months not even filled the sheep specialist position and put this province in a vulnerable status when the sheep are a susceptible animal and they have been one of the problems that this has spread so fast in Europe because they are harder to detect and to make sure they are under control?

**Ms. Wowchuk:** Mr. Speaker, I hope that the member is not saying because there is not a sheep specialist in Manitoba that there is a risk of disease spreading. Our vets work very closely with the federal vets on the scrapie disease and other outbreaks.

The position for a vet was not filled by the previous government. We have posted the position for a half-time position, have not been able to fill that position on a half-time basis and we are now looking for someone who will be able to fill it on a full-time basis. This is not an easy position to fill. We would hope that there would be more sheep specialists available because there is opportunity for this industry to grow in Manitoba. I hope we can have the position filled, but let the member not imply that because there is no sheep specialist there is more risk of disease. That is a veterinarian issue.

**Mr. Gerrard:** My supplementary to the minister: Why is it that the minister appears to care so little about foot and mouth disease that it is not featured on the front page of the Government's Web site? It is not featured on the front page of the Department of Agriculture's Web site and indeed the curious thing is if you

go to the Government's Web site and put in "foot and mouth disease" you get "ineligible query."

**Ms. Wowchuk:** I will take that comment and certainly check out the member's comments. But I have to tell the member, for him to say that we do not take this issue seriously is dead wrong. You know that there has been more information put out on this disease for travellers across the country to ensure that there is not disease coming back into the country. Just think about the numbers of students that went out of the country, went out with proper information and came back taking the necessary precautions to ensure that the disease does not come into this country. I think we all have to remember as well that there has not been an outbreak since 1952. Canada is foot-and-mouth-disease free, and we have to ensure that it stays that way. I am very proud of the steps that my Government, my department and the federal government has taken on this issue.

#### **Manitoba Ethnocultural Advisory and Advocacy Council Justification**

**Mr. Cris Aglugub (The Maples):** Yesterday, the Minister of Labour and Immigration announced the creation of a volunteer multicultural council to provide advice and advocacy to government on issues of importance to the multicultural community. Could the minister inform the House why the formation of this group was necessary and how members of the council can be chosen?

**Hon. Becky Barrett (Minister of Labour and Immigration):** I am very pleased to announce the formulation of the Manitoba Ethnocultural Advisory and Advocacy Council. This is an election promise that we made in 1995 and again in 1999 as a result of the former government's total destruction of the advisory and advocacy component of the Manitoba Intercultural Council. We, on the other hand, look forward to and accept and recognize the importance of advice and advocacy from a number of groups, most certainly from the ethnocultural community, and 16 members of this council will be chosen directly by the vote of the ethnocultural community in the province. The nomination forms are going out as we speak.

Five of them will be chosen then by the Government after the 16 members have been chosen by the ethnocultural community.

### **Flooding Ice Jams—Selkirk Area**

**Mr. Edward Helwer (Gimli):** As a result of the Minister of Conservation's (Mr. Lathlin) complete mismanagement of the flood prevention measures, the Rural Municipality of St. Andrews, the city of Selkirk and the area north of the city of Selkirk have suffered flooding that should have been avoided. Mr. Speaker, because of this minister's mismanagement, many buildings and properties have suffered damage as a result of the ice jams.

What measures is the Minister of Conservation taking to immediately alleviate the ice jams before the headwaters from the U.S. and from southern Manitoba arrive?

**Hon. Steve Ashton (Minister of Transportation and Government Services):** I will take that as notice for the Minister of Conservation.

**Mr. Speaker:** The Member for Gimli, with a very short question.

**Mr. Helwer:** The measures that the Minister of Conservation is taking, he should be taking to immediately alleviate the ice jam before the headwaters arrive. Can the minister or his designate explain why he decided to open the floodgates before the ice at the mouth of the Red River had broken up and moved into Lake Winnipeg?

**Hon. Gary Doer (Premier):** Members opposite will know that there is a protocol for opening the floodgates that is implemented by the senior staff, the ADM responsible for water in Manitoba, in consultation with the forecasters and people like Mr. Whitney that are well known to the public. We respect the professional advice and decisions that are being made pursuant to the protocol that has been arrived at for the floodway.

There is no question we want to ensure that the minimum amount of impact and flooding takes place across the Red River Valley,

including north of the city, south of the city and around the city, and I would note the points raised by the Member for Ste. Rose (Mr. Cummings) about western Manitoba, Souris River and other places.

The level of water and ice jams in the city of Winnipeg combined with the reduction of ice adjacent to the floodway allowed the professionals, not the minister, the professionals, the same professionals who were involved in 1997, 1999, 1996, to implement the protocol on the basis of the damage that was proposed with ice jams at the Louise Bridge, the levels reaching I think 18 feet at James Street and the protocol properly implemented in the floodway.

We certainly have improved, Mr. Speaker, the inlet provisions for the forebay to hopefully prevent the flooding that took place with the operation of the floodway in 1997 for the Grande Pointe area. We hope the investments that have been made in the infrastructure, that I am not sure have been supported by members opposite, are the right investments for the future.

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

\* (14:50)

### **Introduction of Guests**

**Mr. Speaker:** Before we move to members' statements, I would just like to introduce a few more guests that we have.

To the loge to my left are Rene Toupin, former Member for Springfield, and John Plohman, former Member for Dauphin; and to my right, Saul Cherniack, former Member for St. Johns, Myrna Phillips, former Member for Wolseley and former Speaker, and Muriel Smith, former Member for Osborne.

On behalf of all honourable members, I welcome you here today

### **MEMBERS' STATEMENTS**

**Mr. Speaker:** Members' statements. The honourable Member for Russell. [*interjection*]

The honourable Official Opposition House Leader, on a point of order.

### Point of Order

**Mr. Marcel Laurendeau (Opposition House Leader):** On a point of order, Mr. Speaker. I think if you canvassed the House you might seek leave to cancel the members' statements for today, because we have the Budget and we are running a little behind. *[interjection]* We will just postpone it, but we will not lose the sequence that we are in right now.

**Mr. Speaker:** Is it the will of the House to postpone until tomorrow members' statements with the understanding and agreement that it will be in the same rotation, because today's rotation is the Opposition 3, the Government 2? Tomorrow being Wednesday, tomorrow's rotation would have been the Opposition 2, the Government 2, and the independent member 1. Is it the unanimous consent of the House to postpone and use the same rotation as we have today which would be 3 on the Opposition side, 2 on the Government side? Is that agreed? *[Agreed]*

\* (15:00)

### ORDERS OF THE DAY

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, I move, seconded by the Minister of Justice (Mr. Mackintosh), that this House approve in general the budgetary policy of the Government.

*Motion presented.*

### BUDGET ADDRESS

**Hon. Greg Selinger (Minister of Finance):** Mr. Speaker, members of the Assembly, members of the audience, as we move forward into a new century, we are afforded a unique opportunity to celebrate our past, while focusing on the future. Our hard work today builds a better tomorrow for Manitoba families. We have many accomplishments: employment at record high levels; dramatic cuts in hallway medicine and other improvements to health care; significant tax reductions; promotion of our immense hydro resource and creating new opportunities in our North; un investissement important dans nos

écoles, nos collèges et nos universités; dans le bien-être de nos enfants et de notre jeunesse; en résumé, dans notre avenir à tous.

### Translation

significant investments in our schools, colleges, universities, children and youth—for all our futures.

### English

It is my honour to present to Manitobans the 2001 Budget.

It is time to address our present challenges, to focus on our vision for the future and build upon those things that make Manitoba the best place in Canada to live.

We have difficult choices at this time of economic uncertainty, but we make them with an eye toward the future. That is the essence of the 2001 Budget: working hard for today, preparing for tomorrow.

This Budget continues to put Manitoba families first. We have made choices that the vast majority of Manitobans would make: more investment in vital public services, strong debt reduction, tax reductions we can afford, schools and health care coming first.

Protecting our capital city from future flooding will cost up to \$700 million, but we cannot let the size of the task deter us. The security of our province requires prompt action.

Manitoba's future prosperity depends on the skills and education we can give our citizens, particularly young Manitobans. A well-trained, well-educated workforce is the foundation of our economic plan.

This Budget provides needed resources to train and retain doctors. We will give our regional health authorities support to carry out their responsibilities, while asking them to further improve cost-effectiveness. We will invest in needed medical equipment and work to control spiralling drug costs.

This Budget supports Manitoba families and communities. For example, our efforts to bridge the crisis in agriculture today will lead to greater diversification tomorrow.

We are taking steps to keep our taxes affordable and fair by addressing education property taxes, personal income taxes and business levies. We will introduce measures to further improve transparency and accountability in government.

This is a fair Budget, balanced in every sense of the word, that makes sense for Manitoba in 2001 and beyond.

### **Education: Renewing Hope for Young People**

Our plan for education has five components: rebuilding physical infrastructure; greater affordability through tuition policy and bursaries; improved enrolment through broader course offerings; training strategies for the future; and greater accessibility.

Providing quality education and flexible skills training is an important challenge. Our responsibility is to provide hope to young people and a more secure future right here in Manitoba.

Over the past 18 months, we have increased funding to public schools by \$47 million, compared to a total increase of just \$15 million in five budgets from 1995 to 1999. Combined with improved Education Property Tax Credits, we have increased support for public education, directly and indirectly, by \$100 million.

Last year we allocated the highest amount ever for capital funding to our public schools. We committed to the largest post-secondary investment in decades: \$101 million in capital funding to colleges and universities.

Manitoba is now a leader in making education affordable. Statistics Canada recently reported that Manitoba students were the only ones to see a reduction in their tuition fees last year.

We reduced tuition fees by 10 percent last year. Today's Budget continues this benefit. In our first Budget, we introduced the first student

bursary program in 10 years. With this Budget, two years of student bursary support totals more than \$12 million.

Manitoba students are now receiving additional support through the income tax system. The federal and provincial governments have doubled the monthly amount used to calculate the non-refundable tax credits for post-secondary education. In addition, Manitoba has also increased the non-refundable tax credit rate from 8 percent to 10.9 percent. Because the higher amounts would also automatically increase the value of the Learning Tax Credit, the rate for that credit is being reduced from 7 percent to 4 percent.

A student attending a post-secondary institution full time for eight months and paying \$3,000 in tuition and fees is receiving an additional \$234 of support from Manitoba and \$210 from the federal government. The combined increase in support for this student is 30 percent. All students are receiving more provincial support this year.

Nous avons récemment dévoilé une stratégie de formation au Manitoba, basées sur les résultats du Sommet manitobain du siècle. Notre plan fait appel à l'expansion continue de notre réseau de collèges et à l'augmentation du nombre de places dans les programmes d'apprentissage, ainsi qu'à l'exploration de nouveaux modes de formation en cours d'emploi.

### ***Translation***

Our Government recently outlined a Manitoba Training Strategy, building on Manitoba's Century Summit. Our plan calls for continued expansion of our college system and apprenticeship spaces, and new forms of on-the-job training.

### ***English***

Programs such as ACCESS enhance accessibility of education, especially for Aboriginal students. For the second consecutive year, after more than a decade of frozen funding, support for ACCESS programs is increasing.

Significant commitments in this Budget include increasing overall grants to colleges and universities. Universities will receive a 3.8% grant increase, including almost \$3 million to support the continuing tuition reduction. We are also allocating \$10.9 million for our College Expansion Initiative and increasing support for our aviation and aerospace training.

Education is crucial to our economic strategy. Today we are increasing enrolments by expanding course options and flexibility. We are supporting students as well as colleges and universities. We are finally strengthening our place as a learning society.

### **Moving Ahead on Health Care**

Investing in our future means committing to better health care, not simply more health care. Today we are increasing health care funding to almost \$2.6 billion, but dollars are only part of the equation. We continue to focus on three areas in health care: stabilizing funding; addressing shortages of nurses, doctors and other health care workers; and working on innovative, made-in-Manitoba solutions to preserve and enhance our health care system.

All provinces face similar challenges. Our approach is distinctly Manitoban. We believe in the future of universal, public, not-for-profit health care. A recent example is the conversion of the Pan Am Clinic. The clinic's standing will be retained and enhanced as part of our public system.

We reject the culture of hallway medicine. We have been nationally recognized by the Canadian Institute for Health Information as having the best plan for ending hallway medicine. Last year, expansions to home care, better co-ordination of hospital resources and the largest flu vaccination program in our province's history helped decrease the number of patients in hallways by 80 percent. This year there will be new initiatives directed to better care and co-ordination in emergency rooms.

For the second year in a row, there will be timely, predictable budgets for regional health authorities. This new process has helped the

Winnipeg Regional Health Authority to manage its budgeted resources better. The WRHA's progress speaks to the determination and hard work of our health care professionals. Work will continue with health authorities to provide care that is sustainable, affordable and cost-effective.

Manitoba faces a serious shortage of health professionals. Past failures to provide needed training resulted in staff shortages and increased waiting lists. It will take time to address the short-sighted cuts of the past, but we are making progress.

This Budget supports the reinstated diploma nursing program. This year we have more students enrolled in nursing than at any time in the last decade, twice as many as just four years ago.

In this Budget we are increasing funding to keep doctors in Manitoba. New medical graduates will be provided with incentives to set up practices here, and international medical graduates living in our province will be given supports to provide care, especially in underserved areas. This is part of our comprehensive strategy that will see 15 more medical school spaces, 9 dedicated to family physicians for rural and northern Manitoba.

Last year we made significant investments in medical equipment, including more CT scanners and dialysis machines. This Budget invests \$22 million to replace aging diagnostic equipment and a further \$18 million next year. Hospitals are now providing 1400 more ultrasound tests and up to 400 more CT scans per month.

We have expanded acute care services, including dialysis, cardiac care and neuro-surgery. We will continue to strengthen our hospitals' ability to provide the best treatment and care of patients.

Nous renouvelons notre engagement envers les services d'urgence en milieu urbain et rural. Au cours des 18 mois à venir, nous achèterons 80 véhicules d'urgence destinés aux offices régionaux de la santé et continuerons de mettre sur pied un centre intégré de coordination du transport médical.

**Translation**

We are renewing our commitment to urban and rural emergency services. In the next 18 months, we will purchase 80 emergency vehicles for regional health authorities, and continue to develop an integrated medical transportation co-ordination centre.

**English**

Keeping Manitobans healthy is a worthy goal in itself that will ease the burden on hospitals. Our flu vaccination program and the recent meningitis vaccination were important prevention measures. We have also launched HealthCheck, a new public information initiative to help prevent child injuries. We will make further investments in primary care, community and long-term care, and mental health.

Last session, we passed legislation to protect persons in health care facilities from abuse. This Budget continues that commitment.

Prescription drug costs are the most rapidly accelerating costs in Manitoba's Health budget. Pharmacare costs rose 95 percent over the last four years alone. Neither federal support for health care nor provincial revenues will support ongoing increases at this rate.

Manitoba will act to contain drug costs while continuing to provide one of the fairest, most compassionate levels of Pharmacare coverage in Canada. We plan to work on this challenge with other provinces, the public and health care professionals. As evidence of our commitment, this Budget provides Pharmacare funding of \$109 million.

A universally accessible health care system is our heritage. We will work hard to protect it.

### **Supporting Families, Strengthening Communities**

Strong and healthy families are key to the future well-being of our province.

Last year we introduced Healthy Child Manitoba to focus resources on early childhood development, extended parental leave from 17 to

37 weeks and reduced the clawback of the National Child Benefit, as well as introducing the new Manitoba family tax reduction.

This year we build on these achievements by increasing funding to Healthy Child Manitoba by \$5.5 million, or 42 percent, adding a further 7.7 percent in funding to child care and implementing a new prenatal benefit.

I am pleased to announce that this Budget completely ends the clawback of the National Child Benefit for hundreds of families on income assistance with children 6 and under. With today's Budget, these families will receive the full benefit.

In addition, we provide more support for family violence prevention programs and women's shelters, parent-child centres, Aboriginal child welfare and persons with disabilities.

This Budget continues support for significant housing and neighbourhood renewal initiatives, including Neighbourhoods Alive!, the Residential Rehabilitation Assistance Program, the Supportive Housing Initiative, and the Rural and Native Housing Program.

We also reinforce our commitment to community safety by increasing the number of law enforcement officers and strengthening community safety and crime prevention programs.

Lighthouses is a new, community-based program promoting after-school opportunities for youth. Lighthouses is an excellent example of how we can provide new hope and opportunities for our young people.

### **Aboriginal and Northern Initiatives**

Manitoba has many diverse regions, and Budget 2001 recognizes that diversity. Our Aboriginal and northern initiatives include increasing funding for new airport terminals and maintenance; providing First Nations full mineral development rights on reserve land; providing low, equalized Hydro rates for all Manitobans; working with First Nations and Métis partners on new protocols in justice,

family services and resource development; and encouraging the federal government to play a more active role in addressing the needs of Aboriginal people.

Budget 2001 increases support for the RCMP's Aboriginal Community Constable Program; work done by the Manitoba Association of Friendship Centres, the Manitoba Métis Federation and the Assembly of Manitoba Chiefs; winter roads, including the new Tadoule Road system; and other infrastructure projects, including a new Northern Housing Strategy.

### **Urban Revitalization**

Winnipeg is experiencing an exciting renaissance. The new Red River College campus will act as a major boost to Winnipeg's downtown. This will be supported as well by the refurbished Ashdown Building.

The City of Winnipeg will receive infrastructure assistance totalling \$21.6 million for roads, sewers, public transit and neighbourhood renewal.

\* (15:10)

This year we increased the per capita grant to the City of Winnipeg, supporting our commitment to lowering property taxes. Other support to Winnipeg includes funding initiatives like CentreVenture and Neighbourhoods Alive!

Brandon has also been experiencing exciting new developments. Recent provincial initiatives include \$58 million for the renewal of the Brandon Regional Health Centre; \$5 million for capital investments at Brandon University; transferring ownership of the Brandon Mental Health Centre property to the City of Brandon; a new, cost-shared \$3-million water disinfection system; community renewal through Neighbourhoods Alive!; support for the Keystone Centre.

Today all regions of Manitoba will benefit from our decision to lift rent controls for 15 years for newly constructed rental units.

### **Agriculture and the New Rural Economy**

No longer is the rural economy dependent solely on traditional agriculture. Increases in livestock operations underline the fact that producers are diversifying.

Our highly competitive hydro rates are encouraging companies like Albchem Industries and Nexen Chemicals to build or expand operations. New investments like the J. R. Simplot plant planned for Portage la Prairie bring opportunities to rural communities.

Today we are announcing \$6.8 million for the federal-provincial Prairie Grain Roads Program to upgrade roads in rural municipalities.

Our Government will work with all provincial parties, municipal leaders, and farm representatives to press for support to our farming families. At a time of high international subsidies, rising input costs and low commodity prices, increased assistance from Ottawa is pivotal and essential to our farming community.

We have taken provincial action already by expanding crop insurance to cover non-traditional crops and unseeded acreage due to excess moisture; significantly reducing crop insurance premiums in the order of 20 percent; and providing an additional \$52 million to support farmers. Support for agriculture is increasing 6.4 percent over last year's budget.

Seventeen Canada-Manitoba Business Service Centres are now up and running in rural Manitoba, providing advice on global marketing opportunities.

Recent new funding for the Enhanced Diversification Loan Guarantee Program will provide farmers with access to \$200 million in private financing. The increase is expected to generate \$250 million in construction spending, creating jobs and other spinoff benefits.

The Rural Economic Development Initiative, including Community Works Loans and Grow Bonds, will continue to help Manitobans expand their local economies and create jobs.

### **Managing Our Natural Resources for a Greener Manitoba**

Nous croyons que la qualité de notre environnement constitue l'un des principaux Avantages du Manitoba. Nous devons donc investir dans notre avenir et assumer notre responsabilité de bonne intendance de l'environnement.

#### ***Translation***

We believe a green Manitoba is part of our Manitoba Advantage. Therefore, we must invest in our future and address our responsibility to be caring stewards of the environment.

#### ***English***

We recently announced a \$1 million Climate Change Action Fund and a new Climate Change Task Force to help Manitoba remain clean and healthy for future generations.

Other environmental measures include introducing a new Environmentally Sensitive Areas Tax Credit to reduce property tax for landowners who restore natural cover to agricultural land; introducing sales tax on chemicals used for yard care and pest control, including fertilizers, herbicides and insecticides, except when purchased for farm use; continuing to create more provincial parks and protected areas; cleaning up orphan mine sites; and setting aside boreal forest lands. Manitoba is a leader in protecting the boreal forest.

### **Manitoba's Water Strategy**

Water knows no rules or boundaries. Therefore, whether it is flood control, water quality or drainage, we must have solid strategies today. We continue our battle to stop the Devils Lake and Garrison water projects. We stand alongside Minnesota and Missouri in lobbying the Canadian and American governments to stop these projects.

To address this international concern, there is much we can do at home. I am pleased to announce this Budget provides support for an enhanced water strategy. We are introducing a safer drinking water program to establish a

monitoring, inspection and operator training program to complement drinking water tests. We are extending a sales tax exemption for manure slurry tanks and lagoon liners to promote environmentally safe handling of livestock wastes, and we are supporting the Livestock Stewardship Initiative for additional inspection and enforcement.

Our water strategy also includes \$25 million for flood protection outside Winnipeg, an 11% increase for water projects, with a \$1-million increase for drainage.

### **Red River Floodway**

We must be forward thinking with plans to expand the Red River Floodway. It symbolizes the value of hard work, co-operation and foresight. Premier Duff Roblin and Prime Minister John Diefenbaker recognized the wisdom of the proposed Floodway and came to a solution on cost sharing.

The recent International Joint Commission report confirms that Winnipeg needs significant upgrading of its floodproofing capacity to protect against massive floods.

Nous devons agir aujourd'hui en visionnaires pour que l'expansion du canal de dérivation de la rivière Rouge soit une réalité demain.

#### ***Translation***

We must have the vision today to make expansion of the Red River Floodway a reality for tomorrow.

#### ***English***

Last month we took a first significant step in partnership with the federal government to improve the operation of the Floodway inlet. Today we are committing \$40 million toward major improvements.

Manitobans recognize this investment will improve their quality of life while assuring the security of our communities. We will work with our federal colleagues to make this protection happen. We must invest in prevention today

rather than deal with a multibillion-dollar disaster tomorrow. In total, this budget dedicates \$82 million for flood protection and water-related infrastructure.

### **Manitoba's Hydro Resources**

Another significant undertaking in Manitoba's history was the development of our hydro-electric resources. The foresight of our past leaders means Manitobans have among the lowest rates for hydro-electricity in North America and a secure and sustainable supply of energy.

High water levels generally mean more export revenue for Manitoba Hydro. However, high water also means flooding in other parts of the province.

In 1932 Manitoba began to apply water power rental rates to our hydro-electric generation. We are one of five hydro exporting provinces to have such a levy. To help offset the costs of our water strategy and flood protection, we will be raising water power rental rates to Ontario levels, at \$3.34 per megawatt hour, only 60 percent of British Columbia's rate of \$5.52. Given Manitoba Hydro's strong performance, no rate increases are anticipated, and Winnipeg Hydro will not be affected.

### **Building the Economy**

Looking ahead, we are committed to building on our strong foundation. Our aerospace industry continues to expand. Rural economies are more diversified. Favourable costs, our outstanding quality of life, inexpensive and reliable energy mean continued investment potential in Manitoba. Groundbreaking e-commerce legislation and new e-strategies like the Common Business Identifier position Manitoba companies to expand opportunities and streamline access to government services.

Manitoba experienced strong growth last year. Highlights include strong labour market conditions pushing Manitoba's employment numbers to record high levels; the lowest unemployment rate in Manitoba since 1976; the lowest youth unemployment rate in the country for the second straight year and the lowest here

since 1977; the largest increase in average weekly earnings since 1991, well ahead of Canada's growth; a new record for capital investment, signalling continuing high confidence in the Manitoba economy; and the strongest per capita disposable income increase since 1990.

Nous reconnaissons que l'Amérique du Nord est entrée dans une période d'incertitude économique, et nous devons demeurer vigilants quant aux nouvelles mesures protectionnistes mises en place par les États-Unis alors même que l'économie américaine connaît un ralentissement. Toutefois, nous savons que la diversité de notre économie nous confèrera l'avantage au moment d'affronter les défis qui nous attendent.

### **Translation**

We recognize that North America has entered a period of economic uncertainty, and we must remain vigilant concerning emerging American protectionist measures at a time of slower U.S. economic growth. However, we know that the diverse nature of our economy will provide us with an advantage in meeting the challenges ahead.

### **English**

Our survey of private economic forecasters shows Manitoba's real economic growth this year will be 2.4 percent. This level of economic growth will position us in the middle of the provinces.

### **Immigration and Labour**

We are addressing the need for more skilled workers through education and immigration. Last year 4600 immigrants brought their skills to Manitoba, an increase of 24 percent over 1999.

We are moving forward with new initiatives to increase immigration and to add to the quality of life for our diverse, multicultural society. Today we increase funding for immigration, promotion and recruitment; the Manitoba

Safer workplaces mean reduced injuries, better employment security, lower workers' compensation costs for employers, and improved

productivity. Today's Budget provides an increase of over \$500,000 for Workplace Safety and Health services.

\* (15:20)

### **Culture and Tourism**

Earlier this year the Province and the travel industry held a major summit. It was a great success, symbolizing the beginning of a new era of partnership.

We are pleased to announce today that we are committing resources to new ecotourism initiatives, fulfilling another of our important election commitments.

This spring we will launch the first major advertising and information campaign into selected U.S. markets in a decade. We will continue this strategy for 2002.

Cultural industries add to the diversity and richness of Manitoba. This Budget includes new support for cultural industries like new media.

To help local film producers, we are extending the Manitoba Film and Video Production Tax Credit for another three years, removing the \$50-million asset cap on eligible firms.

### **Research and Development**

Research and innovation are the key to growth, higher living standards and further diversification of our economy. The Conference Board of Canada found that Manitoba's R&D support was substantially more attractive than any of the 10 U.S. states examined and among the best in Canada.

L'année dernière, nous avons investi plus de 13 millions de dollars de financement dans les universités du Manitoba pour la recherche et le développement, et notre crédit d'impôt continu dans ce domaine nous a permis d'offrir au secteur privé une aide financière supplémentaire de 12 millions de dollars pour la recherche.

### **Translation**

Last year, we invested over \$13 million toward research and development funding at Manitoba universities. Our ongoing Research and Development Tax Credit provided an additional \$12 million for research by private industry.

### **English**

To encourage innovation in science and technology, we are reorganizing and consolidating research and development activities within Industry, Trade and Mines. This will co-ordinate our efforts to support Manitoba's knowledge economy.

Manitoba businesses are poised to take advantage of markets for clean energy. For example, hydrogen fuel cell technology is being researched by the Kraus Group, while New Flyer and Motor Coach Industries are developing alternative fuel buses.

This Budget guarantees a 10-year tax advantage for gasohol to promote the production and use of gasohol to reduce harmful emissions.

### **Energy**

Our plan is to position Manitoba Hydro for the economic advantage of all Manitobans by using our low rates and proven reliability to attract jobs and business to Manitoba, increasing export revenue to keep rates low, allowing us to introduce uniform rates for all hydro users all across the province and protecting our environment and conserving energy. For example, we launched a new PowerSmart initiative to give Manitobans access to home audits and retrofit loans to help address rising heating bills. Already \$2 million in loans have been approved.

We are exploring new hydro export opportunities to the south, east, west and north as well. We are also intensifying efforts to attract more energy-intensive enterprise to our province.

Manitoba Hydro is well positioned to realize short-term profits and to identify and develop new opportunities that will lead to even greater future growth. Last year electricity sales totalled \$1.3 billion, an increase of almost 10 percent. Exports accounted for a record 35 percent of this total.

Manitoba has significant potential to expand upon our renewable, reliable, and clean hydro-electric power production. More than 5000 megawatts can be developed with minimum environmental damage and the concurrence and participation of local communities. Our plans ensure that Aboriginal residents have a greater share in the economic benefits.

In 1999, Centra Gas agreed to pay amounts in lieu of income taxes to the Province after its acquisition by Manitoba Hydro. We asked for an opportunity to review the broad implications of this policy. As a result, Centra Gas withdrew its application for a 1.8% rate increase.

### **Roads and Infrastructure**

Today's Budget allocates \$183 million for transportation infrastructure, including new construction, maintenance, winter roads and transportation programs.

L'entente Infrastructures Canada-Manitoba nous permettra de continuer à progresser. Les travaux d'infrastructure qui seront entrepris au Manitoba au cours des six ans de l'entente s'élèveront jusqu'à un maximum de 180 millions de dollars. Les améliorations en cause sont bien plus que de simples projets utilitaires car elles amélioreront la qualité de la vie à l'échelle de la province.

### **Translation**

The Canada-Manitoba Infrastructure Agreement will further our progress. The six-year program will invest up to \$180 million into Manitoba infrastructure. More than simply bricks and mortar projects, these programs will improve quality of life across Manitoba.

## **Taxation**

### **English**

This Budget again delivers significant, sustainable and immediate tax relief, leaving more disposable income in the pockets of Manitobans.

### **Personal Income Taxes**

Last year we announced the elimination of the flat tax and surtax and introduced the family tax reduction, the most important reform of Manitoba's personal income taxes since 1972. Other measures included increasing the threshold for the middle tax bracket to \$65,000 from \$61,000 effective 2002, reducing taxes for persons with disabilities, increasing credits for charitable donations, as well as removing 15 000 lower-income Manitobans from the tax rolls.

These changes reduce taxes for all income groups and family types by \$68 million this year and a further \$34 million next year. We also matched federal reductions with \$9 million of additional provincial tax relief, for a combined \$111 million in annual provincial personal income tax savings. This is over and above the \$40-million tax reduction announced in the '99 budget and fully implemented on January 1, 2000. This is meaningful tax relief for Manitoba families.

Today, along with our matching new federal measures, we are building on this \$111 million of tax relief. Budget 2001 further reduces personal income taxes by \$29 million this year, rising to \$54 million annually by 2003.

By 2003, Manitobans will realize \$165 million in annual personal income tax savings.

New tax reductions announced today include increasing nonrefundable tax credits by 2.5 percent over 2000, benefiting all taxpayers; reducing the middle bracket tax rate to 15.4 percent in 2002 and 14.9 percent for 2003, a reduction from 16.2 percent in 2001; reducing the top bracket tax rate to 17.4 percent for 2001; and removing another 4000 low-income Manitobans from the tax rolls.

On average, by 2003, Manitobans will enjoy a 10.5% decrease in their provincial income taxes based on reductions introduced in our first two budgets.

### **Property Taxes**

In Budget 2000, we fulfilled our election promise by delivering a \$75 increase in the Education Property Tax Credits. I am pleased to announce an additional \$75 increase in the credit, saving Manitobans a further \$27 million. Our government has now raised the minimum credit from \$250 in '99 to \$400 this year, an increase of 60 percent.

The combined \$150 tax credit represents an average property tax reduction of 6 percent in Winnipeg and 9.4 percent in the rest of Manitoba.

The Education Property Tax Credit, combined with income tax cuts, provides tangible and growing tax relief. For example, for a family of four with a combined income of \$60,000, Manitoba taxes fell by \$249 last year. This year the family will pay \$692 less tax than in 1999. Next year they will pay \$785 less, and they will pay \$820 less in 2003. This family's total savings over the period will be \$2,545.

Other Manitobans enjoy similar savings over the three-year period. A family of four with one income of \$40,000 will see a total saving of \$2,259. A single senior with an income of \$20,000 will save \$1,231. A single parent earning \$30,000 will save \$1,617. A single person with an income of \$35,000 will save \$1,351.

Au total, les réductions se rapportant à l'impôt sur le revenu et à l'impôt foncier en matière d'éducation que notre gouvernement a accordées dans ses deux premiers budgets permettront aux Manitobains et Manitobaines d'effectuer une épargne fiscale de 218 millions de dollars d'ici l'an 2003.

### **Translation**

In total, reductions in income tax and education property tax introduced in our first two Budgets will deliver savings of \$218 million to Manitobans by 2003.

### **Provincial-Municipal Tax Sharing**

#### **English**

Manitoba has a unique configuration of financing arrangements with local governments. The provincial-municipal tax sharing program, the only one in Canada, provides a share of corporate and personal income taxes to help local governments offset expenses and reduce reliance on property taxes. As elsewhere in Canada, there is a province-wide residential property levy, the Education Support Levy, that is applied to help pay for public schools. To many Manitobans, these arrangements are confusing, unclear, and do not promote accountability.

\* (15:30)

We have kept our election commitment and delivered \$150 per household in education property tax reductions in our first two budgets. We now look forward to working with local governments and school boards to make other improvements in property taxation, consistent with our election commitment.

### **Business Taxes**

In our first year, we reduced business subsidies by almost \$16 million. We feel it is more important to offer transparent tax reductions rather than further subsidies to business.

Last year the small business rate fell to 7 percent. At the beginning of this year, it fell to 6 percent, and it will fall again to 5 percent at the beginning of 2002. This represents a 37.5% reduction in rate since 1999.

Today, I am announcing the reduced income tax rate for small business will now apply on taxable income up to \$300,000. This will be a 50% increase from the current threshold of \$200,000 and will commence January 1, 2002.

Today's Budget targets a reduction in the general rate of corporate income tax from 17 percent to 15 percent in four equal annual steps, starting January 1, 2002. This is an 11.7% reduction in the tax rate, the first general

corporate income tax rate reduction since the Second World War.

These tax reductions for business are expected to total \$48 million when fully implemented. In the future, we will continue to reduce business subsidies.

For both health promotion and revenue reasons, the tobacco tax rate will be increased effective midnight tonight.

### **Transparency and Accountability**

Last year our Government took important steps to improve transparency and accountability. Changes in balanced budget legislation were recognized as both appropriate and long overdue.

Nous avons mis fin à la pratique de désigner des transferts interfonds comme si c'était des recettes. Nous avons introduit des dispositions législatives qui exigent le remboursement de toute la dette générale et de toute l'obligation découlant des régimes de retraite. Nous prenons maintenant d'autres mesures pour améliorer la transparence et le respect de l'obligation redditionnelle.

### **Translation**

We ended the characterization of interfund transfers as revenue. We legislated provisions to require repayment of all of Manitoba's pension and debt liabilities. We are now taking further steps to improve transparency and accountability.

### **English**

For the first time, we offer a summary budget presentation of all government entities.

We will also produce an annual report incorporating the results not only for the operating fund but also for the entire government entity, as called for by the Provincial Auditor.

Legislation to clarify and strengthen the role of the Provincial Auditor will be introduced this session. This legislation is the result of more

than a year's work with the Provincial Auditor.

Transparency involves full disclosure of obligations. Beginning in 1989, the government of the day entered into water power rental agreements with Manitoba Hydro, with the corporation assuming Manitoba's costs related to northern development initiatives.

Adding to transparency and accountability, we have terminated this agreement effective March 31, 2001. We commit to full disclosure of the history and all commitments covered by this agreement.

### **Balanced Budget and Debt Retirement**

We have worked hard to put Manitoba's finances on a sound and sustainable track. This Government's balanced approach to budgeting provides resources for priority programs, tax reductions and debt repayment. Much has already been achieved.

For the first time, debt retirement payments totalling \$96 million were achieved with no draw from the Fiscal Stabilization Fund. The previous administration withdrew well in excess of \$500 million to fund ongoing government operations, even when the economy was doing well.

The \$96 million set aside for debt and pension repayments includes \$21 million toward pension liabilities, the first such payment in over 40 years.

We project a positive balance of \$26 million for the last fiscal year which we will add to the Fiscal Stabilization Fund.

In the current fiscal year, our plan provides sustainable funding increases, averaging 5.6 percent over last year's budget, or 1.7 percent over projected expenditure, primarily directed to improving established public services such as health care and education. As well, our plan continues to pay down general purpose debt obligations, projects a positive balance of \$10 million, with a Fiscal Stabilization Fund draw of less than one-third the amount taken out in 1999-2000, and contains debt servicing costs of only

6.7 percent of revenue, the lowest level in two decades, and the third lowest level in Canada.

Notre budget est équilibré, avec un solde positif de 10 millions de dollars, et notre cadre financier à moyen terme prévoit que les autres budgets de la période concernée seront également des budgets équilibrés.

#### *Translation*

Our Budget is balanced with a positive balance of \$10 million, and our Medium-term Fiscal Framework projects balanced budgets over its term.

#### *English*

#### **Conclusion**

Working hard today means fulfilling the election commitments we made to help build a better Manitoba. We live in a cynical age where people often do not expect much from their governments. We believe that by meeting and exceeding our commitments we will restore public trust.

Nous respectons nos engagements et allons même plus loin dans bien des domaines.

#### *Translation*

We are keeping our pledges and going further in many areas.

#### *English*

This Budget meets our election commitments to balance the budget, reduce property taxes, protect and enhance vital health care delivery, and strong support for our public schools and post-secondary education institutions.

This Budget, however, goes beyond our pledges, through measures like investing in necessary flood protection such as the expansion of the Red River Floodway, significant personal tax reductions and tax reductions for businesses.

Budget 2001 is balanced in every sense of the word, based on principles of fairness and sets a course for a prosperous and secure future for today's Manitoba families.

We will continue to work hard today, preparing for tomorrow.

**Mr. Stuart Murray (Leader of the Official Opposition):** Mr. Speaker, I move, seconded by the honourable Member for Fort Whyte (Mr. Loewen), that debate be adjourned.

*Motion agreed to.*

**Mr. Selinger:** Mr. Speaker, I move, seconded by the Minister of Health (Mr. Chomiak), that this House at its next meeting will resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

*Motion agreed to.*

**Mr. Selinger:** Mr. Speaker, I move, seconded by the Minister of Family Services and Housing (Mr. Sale), that this House at its next meeting 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. Selinger:** Mr. Speaker, I have two messages from His Honour the Lieutenant-Governor as well as the budget documents, which I would like to table.

**Mr. Speaker:** Please rise for the reading of the messages.

The Lieutenant-Governor transmits to the Legislative Assembly of Manitoba Estimates of sums required for the services of the province for the fiscal year ending the 31st of March, 2002, 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.

Please be seated.

**Mr. Selinger:** Mr. Speaker, I move, seconded by the Minister of Justice (Mr. Mackintosh), that

the messages together with the Estimates accompanying the same be referred to the Committee of Supply.

*Motion agreed to.*

\* \* \*

\* (15:40)

**Hon. Gord Mackintosh (Government House Leader):** I would like to advise those present, Mr. Speaker, that everyone is invited to a reception in Room 200.

I now move, seconded by the Minister of Finance (Mr. Selinger), that this House do now adjourn.

*Motion agreed to.*

**Mr. Speaker:** An advisement to the guests that there is a reception in Room 200.

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

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, April 10, 2001

## CONTENTS

### ROUTINE PROCEEDINGS

#### Matter of Privilege

Rural Manitoba—Economic Crisis	
Jack Penner	369
Mackintosh	370
Gerrard	371
Laurendeau	372

#### Presenting Reports by Standing and Special Committees

Standing Committee on Public Utilities and Natural Resources	
First Report	
Korzeniowski	372
Second Report	
Korzeniowski	373

Standing Committee on Privileges and Elections	
First Report	
Santos	374

#### Ministerial Statements

Flood Forecast	
Lathlin	374
Cummings	375
Gerrard	376

#### Tabling of Reports

Annual Report of the Provincial Ombudsman for the year 1999	
Hickes	376

#### Oral Questions

Meningitis Vaccination Rural Manitoba	
Murray; Doer	376
Agriculture	
Murray; Doer	377
Jack Penner; Wowchuk	379
Maguire; Ashton	381

Rose Report	
Maguire; Doer	381

Buhler-Versatile	
J. Smith; Barrett	382

Foot and Mouth Disease	
Gerrard; Wowchuk	383

Manitoba Ethnocultural Advisory and Advocacy Council	
Aglugub; Barrett	384

Flooding	
Helwer; Ashton	385
Helwer; Doer	385

### ORDERS OF THE DAY

Budget Address	
Selinger	386