



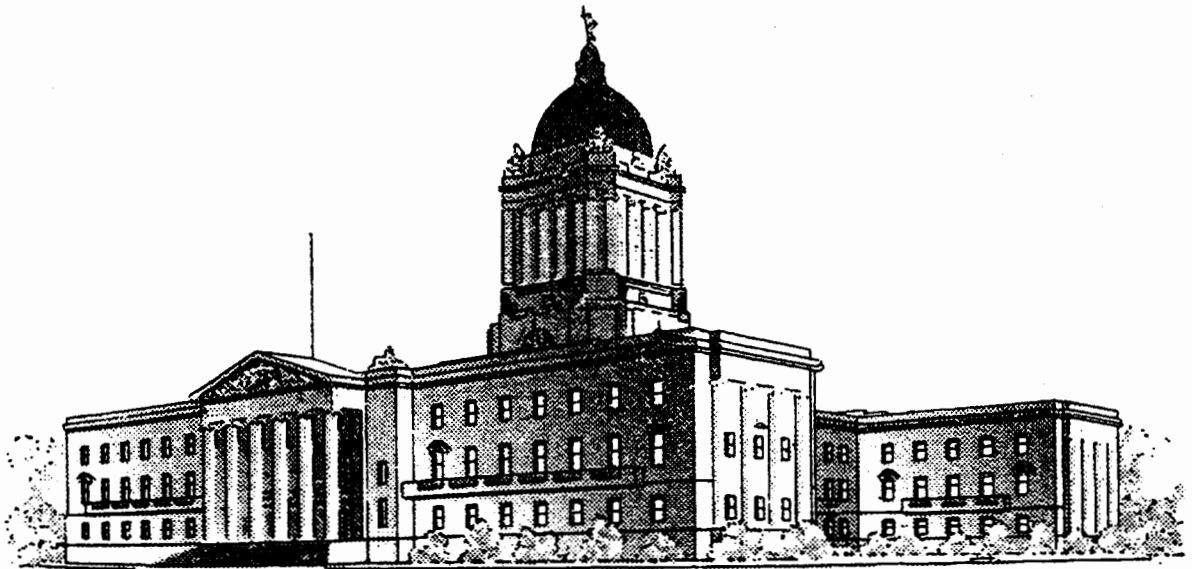
First Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(Hansard)**

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Members, Constituencies and Political Affiliation

<u>Name</u>	<u>Constituency</u>	<u>Party</u>
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James, Hon.	Arthur-Virden	P.C.
DRIEDGER, Albert, Hon.	Steinbach	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
ERNST, Jim, Hon.	Charleswood	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen, Hon.	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GAUDRY, Neil	St. Boniface	Lib.
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McALPINE, Gerry	Sturgeon Creek	P.C.
McCRAE, James, Hon.	Brandon West	P.C.
McGIFFORD, Diane	Osborne	N.D.P.
McINTOSH, Linda, Hon.	Assiniboia	P.C.
MIHYCHUK, MaryAnn	St. James	N.D.P.
MITCHELSON, Bonnie, Hon.	River East	P.C.
NEWMAN, David	Riel	P.C.
PALLISTER, Brian, Hon.	Portage la Prairie	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
RADCLIFFE, Mike	River Heights	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack, Hon.	Niakwa	P.C.
RENDER, Shirley	St. Vital	P.C.
ROBINSON, Eric	Rupertsland	N.D.P.
ROCAN, Denis	Gladstone	P.C.
SALE, Tim	Crescentwood	N.D.P.
SANTOS, Conrad	Broadway	N.D.P.
STEFANSON, Eric, Hon.	Kirkfield Park	P.C.
STRUTHERS, Stan	Dauphin	N.D.P.
SVEINSON, Ben	La Verendrye	P.C.
TOEWS, Vic, Hon.	Rossmere	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, October 17, 1995

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

**Emergency Health Care Services—
Community Hospitals**

Mr. Kevin Lamoureux (Inkster): Madam Speaker, I beg to present the petition of Leonie Cabredo, Joey Cabredo and Pacita Pili and others requesting the Legislative Assembly urge the Minister of Health (Mr. McCrae) to consider making a commitment to the people of Manitoba that emergency health care services in Winnipeg's five community hospitals will remain open seven days a week, 24 hours a day.

READING AND RECEIVING PETITIONS

**Emergency Health Care Services—
Community Hospitals**

Madam Speaker: I have reviewed the petition of the honourable member for Inkster (Mr. Lamoureux). It complies with the rules and practices of the House. Is it the pleasure of the House to have the petition read?

An Honourable Member: Yes.

Madam Speaker: Yes? The Clerk will read.

Mr. Clerk (William Remnant): The petition of the undersigned residents of the province of Manitoba humbly sheweth

THAT emergency health care services are the core of Manitoba's health care system.

THAT Manitobans deserve the greatest possible access to this care.

WHEREFORE your petitioners humbly pray that the Legislative Assembly urge the Minister responsible for

Health (Mr. McCrae) consider making a commitment to the people of Manitoba that emergency health care services in Winnipeg's five community hospitals will remain open seven days a week, 24 hours a day.

TABLING OF REPORTS

Hon. Rosemary Vodrey (Minister responsible for the Status of Women): Madam Speaker, I am pleased to table the Annual Report 1994-95 for the Status of Women.

ORAL QUESTION PERIOD

**Health Care System
Emergency Services**

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, my question is to the First Minister (Mr. Filmon).

Madam Speaker, yesterday we tabled in the House the guidelines from the College of Physicians and Surgeons dealing with the requirement of having physicians at suburban hospitals with a certain volume, a volume that obviously meets the criteria of the community hospitals emergency ward closing of this government.

I would like to ask the Premier, why did he approve the closure of community-based hospital emergency wards in the evening, contrary to the guidelines of the College of Physicians and Surgeons?

Hon. James McCrae (Minister of Health): The honourable member needs to be aware that physicians are available at community hospitals at night. In addition, the honourable member needs to be aware that there are nurses available at the hospitals at night.

We will be seeking from community hospitals information about life-threatening situations that present during closing hours so that we can ensure we can—

An Honourable Member: After the fact.

Mr. McCrae: It is not after the fact. The honourable member for Kildonan (Mr. Chomiak) talks about after the fact. Madam Speaker, during the duration of the strike which we had asked not happen for several months so that we could work together with the various facilities and parties involved to build an integrated emergency services system, we were not able to have that luxury. The physicians walked off the job and we had to build a contingency plan, and we did that. As we are in the process of the reopening of emergency services in the wake of the strike, we will look very carefully at every aspect of the performance of emergency services.

Madam Speaker, in our hospitals there are nurses there, nursing professionals who are prepared and there to greet people who come to emergency rooms at night who may not be aware of the closure. They arrive at the emergency room and nursing professionals are qualified to make suggestions and decisions about what actions might flow from that visit.

* (1335)

Mr. Doer: That is 14 questions I have asked the Premier (Mr. Filmon) about his decision to close down our emergency wards in our community hospitals, and the Premier chooses not to answer the questions because he is so embarrassed about the decision his government has made to close down those community hospitals.

I would like to ask the Premier, I would like to ask the First Minister, the person in charge of that government allegedly over there, why the government has decided to close down the emergency wards at community hospitals, and did they consider the College of Physicians and Surgeons guidelines on patient transfers for code 4 or emergency transfers of patients from one hospital to the other, which contradicted the last answer of the Minister of Health?

Hon. Gary Filmon (Premier): Madam Speaker, as the Leader of the Opposition has asked his questions to do specifically with the details of the operations of health in this province, I have assumed that he was intelligent enough to understand that those matters come under the jurisdiction and the guidance of the

Minister of Health (Mr. McCrae). Having overestimated his intelligence, I will just tell him that that is a matter that is directly under the control and jurisdiction of the Minister of Health and he ought to ask that question of the Minister of Health, that is if he really wants an answer to the question rather than just playing political games here in this Legislature.

Mr. Doer: I noticed the Premier is taking the high road in defending his decisions again today, and I guess we all underestimated his compassionate integrity in keeping his election promises not to cut back on any health care services after the election.

I would like to ask the Premier, when this decision was made by him as head of government, when it was made by him to close the emergency wards in community hospitals, did he consider the guidelines dealing with patient transportation from emergency wards in other health care facilities as part of the decision to close those hospital wards?

Obviously, if you have less doctors working in the evening, you cannot fulfill the guidelines in transportation of patients which require a physician to be in the ambulance in certain critical lifesaving situations. Did the Premier consider that or does he not care about the life and limbs of citizens of Manitoba, Madam Speaker?

Mr. McCrae: Madam Speaker, the honourable member should be reminded again. We asked specifically the emergency physicians not to abandon the patients in the city of Winnipeg in community hospitals. However, it is a responsible thing to do to ensure that a contingency plan is available should that request be ignored, which it was.

There was a meeting with Manitoba Health and with the representatives of Winnipeg hospitals on July 26 of this year at which the Manitoba College of Physicians and Surgeons was represented. At that time, the contingency plan for the operation of Winnipeg emergency departments for a strike that was hoped would not happen, that meeting was held.

Madam Speaker, the honourable Leader of the Opposition should also be aware that the current

integrated emergency services task force or steering committee that is at work in response to Mr. Chapman's mediation report recommendation, the College of Physicians and Surgeons will be part of that development of the integrated emergency services policy.

* (1340)

Public Health Laboratory Testing

Mr. Dave Chomiak (Kildonan): Public health and the testing for diseases, particularly matters like hamburger disease which can be fatal to adults and children, is an area of public health where Manitobans expect and deserve first-class, high-quality service.

Can the minister explain why we have lost the capacity, as a result of this government's cuts and decisions, to test for a number of diseases including E-coli bacteria and why we no longer have the capacity to test in advance for these kinds of diseases, and will the minister explain this government's decision?

Hon. James McCrae (Minister of Health): Madam Speaker, we have not lost the capacity the honourable member refers to. When testing moved to the Environmental Sciences Centre, testing food for verotoxin-producing E-coli strains, other than E-coli O157:H7, terminated. These types of E-coli in food causing health problems were studied as part of a research project and were not a routine part of public health practice.

What the member is talking about, Madam Speaker, is the end of a research project. If the honourable member was on top of things around here, he would have known that. However, the capacity to test food for the most common source of verotoxin E-coli type O157:H7 has remained.

Mr. Chomiak: Madam Speaker, I will accept the word of a scientist before the minister anytime.

Madam Speaker: Order, please. The honourable member for Kildonan was recognized for a supplementary question, not postamble.

Mr. Chomiak: Can the minister explain to the public of Manitoba what effect this government's policy to charge municipalities and other end users for the use of testing and facilities and the cost, what effect that will have and what studies he has? Will he table the studies he has that will show what effect that will have on public health in Manitoba and whether or not it will affect the number of tests and the amount of testing?

Point of Order

Hon. Jim Ernst (Government House Leader): Madam Speaker, I as the House leader and members of my caucus have been relatively patient over the past few weeks when accepting the questions from the members opposite.

The fact of the matter is, though, Madam Speaker, you can only put one question at a time. Constantly, they put one, two, three and four questions at a time. I would ask for your ruling.

Madam Speaker: Order, please. On the point of order, the government House leader, indeed, does have a point of order.

Beauchesne's 409 states—the honourable member for Kildonan, on the same point of order.

Mr. Chomiak: Madam Speaker, I believe in the context of asking a question, it is appropriate in the context of one question to frame it in such a way that it deals with all contingencies as they relate to the particular policy.

This is a policy decision and I asked what the effects of this policy decision would have on a number of areas of public health.

Madam Speaker: Order, please. The honourable member for Kildonan does not have a point of order. The honourable member for Kildonan was clearly disputing the point of order raised by the government House leader.

On the government House leader's point of order, indeed, he has a point of order. A question is to be a single question, not a multiple question.

The honourable opposition Leader, on the same point of order or on a new point of order?

Mr. Gary Doer (Leader of the Opposition): On the same point of order, Madam Speaker. If the member—

Madam Speaker: Order, please. I have already ruled on the point of order.

* (1345)

* * *

Mr. Doer: A new point of order, Madam Speaker.

Madam Speaker, I would invite you to read Hansard and read the question that dealt with, what is the impact of a certain government policy on x, y and z? That is one question on the impact with multiple effects on the public of Manitoba. It is our job to ask about those impacts, and we have the right to do that in this Legislature.

Madam Speaker: Order, please. I had ruled on the point of order by the government House leader, and I maintain the ruling that questions are to contain a single question, not multiple questions. I thank all honourable members for their advice.

Mr. Steve Ashton (Opposition House Leader): Yes, with due respect, Madam Speaker, I challenge your ruling.

Voice Vote

Madam Speaker: The ruling of the Chair has been challenged. All those in favour of sustaining the ruling of the Chair, please say yea.

Some Honourable Members: Yea.

Madam Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

Madam Speaker: In my opinion, the Yeas have it.

Formal Vote

Mr. Ashton: Yes, Yeas and Nays, Madam Speaker.

Madam Speaker: A formal vote has been requested. Call in the members.

The question before the House is shall the ruling of the Chair be sustained.

Division

A RECORDED VOTE was taken, the result being as follows:

Yeas

Cummings, Derkach, Downey, Driedger, Dyck, Enns, Ernst, Filmon, Findlay, Gaudry, Gilleshammer, Helwer, Lamoureux, Laurendeau, McAlpine, McCrae, McIntosh, Mitchelson, Newman, Pallister, Penner, Pitura, Praznik, Radcliffe, Reimer, Render, Stefanson, Sveinson, Toews, Tweed, Vodrey.

Nays

Ashton, Barrett, Cerilli, Chomiak, Dewar, Doer, Evans (Brandon East), Evans (Interlake), Friesen, Hickes, Jennissen, Lathlin, Mackintosh, Maloway, McGifford, Mihychuk, Reid, Robinson, Sale, Santos, Struthers, Wowchuk.

Mr. Clerk (William Remnant): Yeas 31, Nays 22.

Madam Speaker: The ruling of the Chair is accordingly sustained.

* * *

Mr. Chomiak: Madam Speaker, can the minister explain what effect the government policy with respect to charging the municipalities and other end users for the costs of testing and other services will have on the public of Manitoba, those end users, municipalities and all those affected by the public health system?

Mr. McCrae: Well, it is nice, Madam Speaker, to be given the opportunity to answer a question that was asked some time ago.

The honourable member would be interested to know if he does not already that this testing we are talking

about is a mandated thing. It is a legislated thing. It has to be done to protect the health of Manitobans.

So a question of how it gets paid for really does not have that much to do, if anything at all, with the outcome, the outcome being safe water supplies, safe food supplies and so on. That being the requirement in legislation, that is what will be done.

Mr. Chomiak: My final supplementary to the minister: Can the minister assure this House that no Manitobans, no end users, no members of the public will be put at risk or harm as a result of this government's policy to charge end users for these kinds of tests and, in addition, as a result of its policy not to do preventative testing in this area?

Mr. McCrae: Madam Speaker, inasmuch as these tests are not optional—they are mandatory, they are necessary—they will be done.

The honourable member raises this somehow as having some impact on the health of the population. That is not the case. The health of the population inasmuch as it is protected by this testing will continue to be protected by this testing.

Eating Disorders Out-of-Province Treatment

Ms. Diane McGifford (Osborne): Madam Speaker, my questions are for the First Minister (Mr. Filmon).

On September 20 in this House I asked the Premier if he would give his personal commitment to work for the life of Jamie Woodhouse and send her to Montreaux Clinic in Victoria.

Today I want to table a letter from the Binscarth and District Lions Club to the Minister of Rural Development (Mr. Derkach) in which the Lions, who have raised \$75,000 for Jamie, lament that she is back in the Brandon Mental Health Centre, lament the fact that the Minister of Rural Development appears not to have honoured his commitment to take their concerns to his government colleagues and which indicates that every day may mean the difference between life and death to Jamie.

My first question for the Premier: Can the Premier outline exactly what steps have been taken to save Jamie other than a step backwards which took her once again to the Brandon Mental Health Centre?

Hon. James McCrae (Minister of Health): Madam Speaker, the honourable member for Roblin-Russell (Mr. Derkach), the Minister of Rural Development, and I and the Woodhouse family and the doctor and the community and the Health Sciences Centre and many Manitobans have been working very hard on almost a daily basis making contacts with each other to ensure that Jamie's condition and Jamie's future is what comes first for all of us.

We have worked very closely with the Health Sciences Centre to ensure that the family was aware of what services were available at the Health Sciences Centre. Indeed, the family has been in to visit the facility there, and we continue to work closely with that family. I might add, Madam Speaker, the work of the honourable member for Roblin-Russell in this situation has been the most profound kind of sensitivity that I have seen to a local constituency matter that has arisen. I want to pay tribute to my colleague for that and also to the doctor and everyone who is involved in assisting in bringing this matter to a successful resolution.

It is a very, very difficult issue, Madam Speaker, and all we want to do is to ensure that we all have a look at a made-in-Manitoba solution that can work for Jamie, and without ruling out any assistance that might be available, the fact is, what is the best thing we can put together here in Manitoba. We have found that the main aspects of the treatment that are being talked about are available here in Manitoba.

* (1400)

Ms. McGifford: Since the made-in-Manitoba system is not working to save the life of Jamie, would the Premier (Mr. Filmon) now prove himself to be a man of his word and commence working with the Binscarth Lions Club to provide cost-sharing, lifesaving treatment for Jamie Woodhouse?

Mr. McCrae: Madam Speaker, I hope the honourable member would understand the nature of this situation

facing the Woodhouse family and Jamie in particular. It is not all one way or another way; it is not a simple matter. Any player in this piece can tell you that these issues—[interjection]

Anybody can tell you that the issues involved with this particular disease are extremely complicated and frustrating for everybody involved, right from people on this side of the House on, including honourable members opposite.

I would ask the honourable member to look further into the whole problem with respect to anorexia nervosa. She will understand if she does that, that the issues are not simple and they are not simply resolved either.

University of Manitoba Labour Negotiations

Mr. Daryl Reid (Transcona): Madam Speaker, yesterday the Minister of Education (Mrs. McIntosh) refused to show any leadership in resolving the University of Manitoba negotiations dispute.

This same minister's government directly intervened in the 1994 sugar beet negotiations and imposed Bill 22 on public sector negotiations including teachers. Final offer selection could have been used as a tool had this government not killed this legislation.

My question is for the Minister of Labour.

Can the Minister of Labour advise, considering that the strike deadline is midnight tonight, what progress his chief conciliator Mr. Davage has made in resolving this dispute after 10 months of negotiations?—since this minister himself has not even been involved and should have been from the beginning.

Hon. Vic Toews (Minister of Labour): Madam Speaker, I do not think it is an appropriate time for the government to interfere in free collective bargaining, and that is the position that this government is taking at this time.

Mr. Reid: Will then the Minister of Labour ask both of the parties involved in the U of M dispute to accept

voluntary binding arbitration to allow the students to continue their education and to allow the negotiations to proceed utilizing the arbitration process? Will the minister contact the parties?

Mr. Toews: We will consider any requests that come from the parties, but we would encourage the parties to continue bargaining because we believe that free collective bargaining under the structure of The Labour Relations Act is the most appropriate way in achieving a lasting and meaningful labour peace.

Mr. Reid: Since the Minister of Labour refuses to be involved, will the Minister of Education then take a leadership role now—hopefully this time—and detail what plans or provisions her department has in place to refund the course tuition fees to the students in the event that a strike should occur at midnight tonight? What steps is she prepared to take?

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, I think the members opposite have already been told and understand that while negotiations are still ongoing, as they currently are, it is not only inappropriate but also counter-productive for ministers of the Crown to be saying or doing anything that could be seen to jeopardize those very sensitive last-minute talks which are currently taking place as we speak.

The member knows, or should know because yesterday there was a press conference held by the university, that the university administration has indicated they are considering those very factors that he has mentioned in terms of refunds if necessary, in terms of placement for students and ongoing work at the university.

Rural Stress Line Government Commitment

Ms. Rosann Wowchuk (Swan River): The rural stress line, which is unanimously supported by all farm organizations in support as well as financial support, is an excellent preventative health care service that brings services to rural Manitoba. Unfortunately, the stress line is going to be cut because this government will not put its money where its mouth is.

I want to ask the Minister of Health why on June 28 he said, this new line is an important expansion to community mental health services in rural Manitoba and will complement mental health reform initiatives being put in place.

Why did he say that and now cannot put the money in place to see that the line survives?

Hon. James McCrae (Minister of Health): Madam Speaker, the Department of Health partnered with the Canadian Mental Health Association and the pools and all of the people involved in the rural stress line. That was done on a very clear understanding that our contribution was of a start-up nature, a once-only, and it was very clearly understood as well.

Madam Speaker, as the Canadian Mental Health Association works toward keeping that stress line going, we have asked that they engage in discussions with the provincial Mental Health Council and with the Association of Women's Shelters that have expressed some concerns. I would hope the honourable member would be aware of those concerns, too, before we go jumping too quickly to the conclusions that she seems to have arrived at.

We have asked that the Canadian Mental Health Association work with the women's shelter association and also work with the Department of Family Services in doing an inventory of all the various stress lines that are available. We certainly agree with the honourable member about the need for services but getting it right is important, too.

* (1410)

Ms. Wowchuk: Madam Speaker, since the members of the advisory committee for the rural stress line have worked very hard to bring the services to rural Manitoba but are not getting any answers from the minister, will the minister agree to meet with this committee and share the results of the survey that he took on all stress line services so they will understand where he is coming from?

Mr. McCrae: Well, we want to know the outcome of discussions between the Canadian Mental Health

Association and the Manitoba Mental Health Council in resolving some of the issues between those organizations.

I also invite the honourable member to have a discussion with Waltraud Grieger, for example, of the women's shelter association to discuss some of the concerns that they have. If the honourable member for Swan River just wants to dismiss those concerns as not counting in all of this, well, let her say so. The fact is those were legitimate concerns raised and we are going to see if we cannot resolve those.

Ms. Wowchuk: Since the Minister of Health will not recognize the need for services in rural Manitoba with the stress line, I want to ask the Minister of Agriculture and other rural members of this caucus if they will recognize the need for the rural stress line and lobby the Minister of Health to ensure that that service is there so we have equality in rural Manitoba.

Hon. Harry Enns (Minister of Agriculture): Madam Speaker, I wish to advise the honourable member for Swan River that my office has not received a single call from any farmer, from any person in rural Manitoba requesting the ongoing service of this line.

Misericordia General Hospital Bed Closures

Mr. Kevin Lamoureux (Inkster): Madam Speaker, my question is for the Minister of Health.

Today at the Misericordia Hospital there are some 278 health care beds. I have been led to believe that that number is going to be reduced to approximately 224 health care beds. That is an estimate of approximately a 20 percent decrease in beds, Madam Speaker.

My question to the Minister of Health is, does the Minister of Health have plans that he can share with members of this Chamber and the public dealing with the number of beds that are being closed throughout the province of Manitoba in our health care system?

Hon. James McCrae (Minister of Health): As services have become more available in the

community, the hospitals have also responded to the challenges imposed on us by the honourable member's colleagues in Ottawa when it comes to the removal of \$220 million from Manitoba's social network.

I would like very much for the honourable member to inform himself of all of the various developments that are taking place, not only in response to what is being forced upon us by his colleagues in Ottawa, Madam Speaker, but by the need to make changes to deliver health services better than we have in the past and more effectively, more efficiently. The taxpayer for whom the member and I both work demands nothing less.

Health Care System Reform Government Strategy

Mr. Kevin Lamoureux (Inkster): Madam Speaker, part of this reform includes two registered nurses serving 50 patients.

My question to the minister is, at this particular hospital what can we expect to see when you reduce the number of registered nurses for patients to 50? Are we going to see additional LPNs, nurses aides to complement or to assist the registered nurses? Does this government have a plan in this area?

Hon. James McCrae (Minister of Health): Madam Speaker, the honourable member's predecessor as Health critic, Dr. Gulzar Cheema, made a very important statement one time in this House when he said that one of the most important things we have done was to set up the Manitoba Centre for Health Policy and Evaluation.

Madam Speaker, every activity in health reform has been under some kind of a scrutiny with respect to evidence-based decisions being required, so that as we proceed, we do it on the basis of evidence that it is safe and appropriate to do so and will result in a better health outcome.

Madam Speaker, reports to date have been either neutral or satisfactory or above that level, and, also, unlike the response in some other provinces which appears fairly revolutionary in response to the

challenges imposed on us by Ottawa, in Manitoba we are taking a much more evolutionary approach. It is being done over a period of time so that there is time to monitor and evaluate decisions that are made.

Mr. Lamoureux: Madam Speaker, will the minister prepare for this House a complete report on the proposed changes to health care services, including guidelines for staffing ratios and the total number of bed closures in Winnipeg's five community hospitals?

Mr. McCrae: Madam Speaker, that kind of information has been available for a long time, and all the honourable member had to do was ask for it during the Estimates process or whatever.

In any event, I will take note of the question today and will get something off to the honourable member in response.

Tourism Provincial Comparisons

Mr. Tim Sale (Crescentwood): Madam Speaker, the government and the minister responsible for Tourism have continued to try and convince Manitobans that their efforts on tourism are paying off, but the 15,000 Manitobans and more who work directly in the tourism industry know differently.

Will the minister agree that Manitoba is now ninth out of 10 in nonresident trips this year over last year and 10th out of 10 in their years in government in tourism growth, the worst in Canada?

Hon. James Downey (Minister of Industry, Trade and Tourism): No, Madam Speaker.

Government Initiatives

Mr. Tim Sale (Crescentwood): Madam Speaker, I would like to table the information pursuant to the question that I asked previously, for the minister's information and edification.

Madam Speaker, will the minister acknowledge that in the month of July, immediately following several badly handled pepper spray incidents, Manitoba's

tourism from the United States fell in that one month by over 11 percent? Will the government, then, finally take some action to restore Manitoba's image as a friendly province?

Hon. James Downey (Minister of Industry, Trade and Tourism): Madam Speaker, last year Manitoba saw over a 10 percent increase in tourist traffic from the United States, which was very positive for the people of Manitoba supporting the tourism industry and the job creation.

This year, there were several incidents, of which there were pepper spray seizures and people trying to bring pepper spray into the province. We have written, we have asked the federal government to clarify as to whether or not the policy is consistent across Canada as it relates to the importation or the movement of such a product coming into this country.

I would wonder, Madam Speaker, if it is the opposition's position that we should lessen as it relates to illegal product coming into the province of Manitoba, as it relates to drugs.

* (1420)

Education System Language Arts Examination

Ms. Jean Friesen (Wolseley): Madam Speaker, my questions are for the Minister of Education.

For the last month trustees and parents across the province have raised concerns with the minister about the impact on students of the province's Senior 4 English language arts exams, which require the removal of 250 senior teachers from their schools for 12 instructional days. During the election and since, the government has resisted many requests to reveal the costs of this plan. I want to ask the minister today to tell us how much this is going to cost and how those costs are to be apportioned between the province and the school divisions.

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, I would first like to correct the preamble.

Unless the member is reading mail that I have not received that comes to my office, I have not been inundated with letters and queries or whatever from parents and educators on that topic as she states categorically that I have been. I would invite her to show me copies of those letters. I have had one query from the teachers. Some school boards have indicated, in response to the request to release teachers for this purpose, that they cannot release the number that we have indicated from their division, but not in the manner that the member implies.

We will be having all our tests marked. We will be using accredited markers to mark those tests. I do not have the exact amount. I will take that aspect of the question as notice. We will be proceeding with testing, and those measurable standards will be accurately marked by qualified people.

Ms. Friesen: Madam Speaker, can the minister explain to the House and to parents what the educational impact will be of the loss of the classroom teachers for 12 instructional days during the school year? We are not just talking here about Grade 12. We are talking Grades 9, 10 and 11.

Mrs. McIntosh: Again, Madam Speaker, the member makes an assumption in her question that students will be losing instructional time. I would submit that that is an assumption she makes that I will not verify or confirm for her because students will not be losing instructional time as a result of their examinations being marked.

Education Facilities Energy Conservation

Ms. MaryAnn Mihychuk (St. James): Madam Speaker, my question is to the Minister of Education.

Given that many of Manitoba's public schools still have single-pane wood windows requiring installation seasonally, both in the fall and in the spring, adding significant costs to those school divisions and to the public and raising concerns about workplace safety during installation and removal, and given that Manitoba is a leader in the development and the manufacturing of high-efficiency windows, windows

that can cut energy costs by up to two-thirds, will the Minister of Education re-establish funding for the replacement of seriously deteriorated nonefficient windows under the capital support program, a made-for-Manitoba windows '95 program for the schools across the province as requested by MAST time and time again?

An Honourable Member: An open-window government.

An Honourable Member: Fresh air.

An Honourable Member: What a pane.

An Honourable Member: I shutter to think.

Madam Speaker: Order, please.

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, there are a lot of very good puns going around that I do not think are hitting Hansard.

Madam Speaker, again, none of those letters have come to me directly as minister. If those expressions of concern are being made at the departmental level through officials, I will be pleased to look for them. I know we certainly encourage energy conservation. Many divisions have embarked upon energy conservation. Pardon me. [interjection] Pardon me.

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please. The honourable Minister of Education, to quickly complete her response.

Mrs. McIntosh: Madam Speaker, the member for Wolseley (Ms. Friesen), who interjects across the floor, absolutely knows that in every department you have officials and particularly in departments with budgets of \$1 billion, not every detail of every aspect will be coming to the minister's desk. That is why we have the staff that we do, competent staff to make decisions.

I will certainly take this question as notice from the member, because we do encourage and support energy

conservation. Many divisions embarked upon some excellent energy conservation measures, and I thoroughly applaud them for the initiatives in that regard.

Energy Audit Program Reinstatement

Ms. MaryAnn Mihychuk (St. James): Madam Speaker, my question is to the Minister of Energy and Mines.

Will the minister of energy management reinstate the energy audit program of public buildings, a program this Conservative government promised would be expanded, a program that would establish long-term savings to Manitoban taxpayers when using high-efficiency windows and sensible planning is used on their behalf? Will you reinstate the program?

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

Hon. Darren Praznik (Minister of Energy and Mines): Madam Speaker, I can assure the member that we in this government are always very concerned about opportunities to save money when one does the calculation on capital investment.

I am sure my colleague the Minister of Government Services (Mr. Pallister) and his staff who administer public buildings in this province are always cognizant of these issues and work them into their regular planning. I can say to the honourable member that to have a particular program or not to have a program really evades the issue. The issue is how does one fit that into the regular work that is done on maintaining public buildings. The same applies to school divisions.

Fishing Industry Boundary Restrictions

Mr. Stan Struthers (Dauphin): Madam Speaker, last week the desperate plight of north basin fishermen was evident here at the Legislature. Their frustration with this minister and his department has resulted in wasted fish, unfair treatment and economic hardship. Since these fishermen are hamstrung by this government to

fish in only small areas, will the minister temporarily remove boundary restrictions on north basin fishermen so that they can fish pickerel and sauger grounds in the north basin this fall?

Hon. Albert Driedger (Minister of Natural Resources): Madam Speaker, some time ago, I met with representatives from Lake Winnipeg who had various requests of me, one of them being changing the boundaries. I replied to them and said that I would not change the boundaries at this time until a total review was done.

I think it would be irresponsible to make ad hoc decisions in terms of boundary changes. I will be moving forward with the third-party consultation process, and when that is done, they will be making recommendations to myself, and we will deal with the matter at that time.

Regulations Review

Mr. Stan Struthers (Dauphin): Madam Speaker, instead of using the review as an excuse for inaction, will this minister table the names of these persons involved with this third-party review?

Hon. Albert Driedger (Minister of Natural Resources): Madam Speaker, we are in the final stages of getting the approval, and the moment that is done I will table the information.

Solid Waste Management Government Initiatives

Mr. Kevin Lamoureux (Inkster): Madam Speaker, I have a question for the Minister of Environment.

The CEC was very clear in one of the recommendations stating that this particular government has not taken the lead role on addressing solid waste, and my question to the minister is, is this government prepared to take that lead role in waste management and to try to resolve the issue between the City of Winnipeg and BFI, in particular?

Hon. Glen Cummings (Minister of Environment): Madam Speaker, I would indicate that for some time

we have been conscious of the fact that the City of Winnipeg and the surrounding municipalities have an opportunity to work together and restructure their solid waste management systems.

I think that there has been some significant progress in that area, and I do not see the present application in front of the Clean Environment Commission as being necessarily incompatible with a future plan being developed.

Madam Speaker: Order, please. Time for Oral Questions has expired.

Speaker's Rulings

Madam Speaker: Order, please. I have two rulings for the House.

A point of order was raised by the honourable member for St. Johns (Mr. Mackintosh) on October 2 during Question Period about the use of the word "misleading." I took the matter under advisement. I had initially ruled that the phrase "that is misleading" was unparliamentary and asked the honourable member for St. Johns to withdraw it. Upon examining Hansard and upon reflection, I must apologize to the member and to the House.

In the context in which the word was used, it was not unparliamentary, and I should not have directed the member to withdraw the word.

To clarify, only when it is claimed that the misleading is deliberate should it be considered to be unparliamentary. However, I do have a concern about the way in which the honourable member for St. Johns pursued the matter when I had ruled the word to be unparliamentary. Beauchesne's Citation 1681 indicates that the action of the Speaker cannot be criticized incidentally in debate or in any form of proceeding except by use of a substantive motion. The only way to show disagreement with a Speaker's ruling other than by a substantive motion is to challenge the ruling.

* (1430)

* * *

Madam Speaker: I have a second ruling for the House. On Friday, October 6, 1995, the honourable member for Kildonan (Mr. Chomiak) raised a matter of privilege which I took under advisement. He moved that this House do censure the Minister of Health (Mr. McCrae) for a breach of the privileges of its members by misleading its members in the matter of information made available to the media and withheld to the members of the Legislative Assembly.

In raising the matter of privilege, the member for Kildonan stated that on October 4, he and his colleagues had several times asked the Premier (Mr. Filmon) and the Minister of Health about permanent closure of emergency wards and no answer was given. The member for Kildonan then stated that while this was happening, the Deputy Minister of Health was telephoning hospitals telling them that the wards would be closed permanently and that right after that Question Period, the Minister of Health, in the press scrum in the hallway outside the Chamber, stated to the media and to the public that those wards would be closed permanently.

While the member for Kildonan may have a grievance, he does not have a matter of privilege. Beauchesne's Citations 31 and 416 are quite clear. The failure of a minister to answer a question may not be raised as a question of privilege and statements made outside the House by a member may not be used as the basis for a question of privilege. A member may put a question but has no right to insist upon an answer.

Therefore, the honourable member's motion is not in order.

Committee Changes

Mr. George Hickes (Point Douglas): I move, seconded by the member for Broadway (Mr. Santos), that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: Broadway (Mr. Santos) for Interlake (Mr. Clif Evans); Dauphin (Mr. Struthers) for St. James (Ms. Mihychuk), for Thursday October 19, 1995, for 10 a.m.

Motion agreed to.

ORDERS OF THE DAY

Hon. Jim Ernst (Government House Leader): Madam Speaker, would you call Bill 2, please.

DEBATE ON SECOND READINGS

Bill 2—The Balanced Budget, Debt Repayment and Taxpayer Protection and Consequential Amendments Act

Madam Speaker: To resume debate on Bill 2, The Balanced Budget, Debt Repayment and Taxpayer Protection and Consequential Amendments Act (Loi sur l'équilibre budgétaire, le remboursement de la dette et la protection des contribuables et apportant des modifications corrélatives), on the proposed motion of the honourable Minister of Finance (Mr. Stefanson), standing in the name of the honourable member for St. Johns (Mr. Mackintosh).

Some Honourable Members: Stand.

Madam Speaker: Stand? Is there leave to permit the bill to remain standing?

Some Honourable Members: Leave.

Madam Speaker: Leave has been granted.

Hon. Gary Filmon (Premier): Madam Speaker, I am pleased to rise in support of Bill 2, The Balanced Budget, Debt Repayment and Taxpayer Protection and Consequential Amendments Act. I believe that it is a bill that is right for the times, that it is necessary to build a strong foundation for this province's future economic growth and stability.

Members opposite have contributed to the debate as have editorialists and many self-interested public groups over the past number of weeks. In particular, members opposite and their friends and supporters in the public sector union movement have heaped scorn on the legislation because of course we all understand that they do not want any legislation in place that would prevent them from accessing the public purse for all of their wants and demands in future.

I believe that very simply put that is old-think. They believe, as did their colleague Bob Rae, that all you need to do to solve any problem is to spend your way out of it. Throw money at the problems. That is not, obviously, what most people in society believe today, and they have had some bitter experience upon which to found their conclusions.

Members opposite have said, why did we not do it seven years ago? Well, that is the silly sort-of smart-aleck response that you would expect from an opposition that is as irresponsible as the members opposite. They, of course, fail to recognize that we were coming out of an era in which their administration had run deficits that averaged almost a half billion dollars a year through some very buoyant times throughout the '80s, I might say.

(Mr. Marcel Laurendeau, Deputy Speaker, in the Chair)

They had consistently maintained a deficit that averaged above 3 percent of GDP during that period of time. We, of course, had to not only go to work to get the budget in a position where it could consistently be in a balanced position, but we did it through the second worst recession this century in Canada, and we did it without raising any of the major tax rates.

That is the kind of fiscal stability that cannot be created overnight; that is the kind of fiscal stability that needs to be addressed over a period of time till you get the basics in place. Now that they are in place, we are in a position to introduce, to pass and to maintain balanced budget legislation in this province in future. So the arguments about what should have been done in the past, of course, are factious, and the arguments have to concentrate on why would not you do it in future when you have the basics in place?

Well, Mr. Deputy Speaker, there have been many observers who have contributed to the debate as well and who have pointed out to that solid fiscal foundation that has been laid in this province in preparation for balanced budget legislation. For example, the Investment Dealers Association of Canada recently said, and I quote: Over the past seven years, Manitoba's deficit has averaged about 1.3 percent of

GDP, consistently below provincial medians across this country.

Well below, I might say, the target that has been set by the federal government of 3 percent of GDP to get their deficit down to that level with all of their various moves.

This carries on the comments of the Investment Dealers Association: Deficit reduction in the province has been achieved through expenditure restraint while holding the line on taxes. Manitoba was one of the first governments to rein in spending, focusing on controlling public wage costs, streamline government operations and increase efficiencies in the delivery of public services, end of quote.

* (1440)

The Dominion Bond Rating Service has said, and I quote: Manitoba's fiscal performance since 1990-91 has consistently been among the most favourable in Canada.

Nesbitt Burns stated, and I quote: The fiscal progress made by Manitoba is remarkable, considering that it has frozen taxes for the past eight years.

Finally, Lehmann Brothers has said, and I quote: We view the province of Manitoba as a high A credit with an improving outlook. We believe an upgrade by the rating agencies is possible over the next two years. Manitoba's strengths include sound fiscal policy, a central geographic location and an increasingly diversified economy. The fiscal plan factors in credible economic assumptions and natural growth revenues. A balanced budget and improved debt position appear likely over the net near term.

There is the answer, Mr. Deputy Speaker, as to why we are doing it now.

So, with our 1995 budget, we began a new era of balanced budgets, of fiscal surpluses and paying down the debt. The surplus is budgeted this year at a modest \$48 million, but it will improve as we continue in our renewed mandate to restore Manitoba to long-term fiscal health. If fiscal health is the objective, then our

program of expenditure management and tax limitation is the medicine, and our balanced budget legislation is the fiscal equivalent of leading a healthy lifestyle in order to prevent further illnesses. It is the long-term view.

Bill 2 has three main parts, and they are all important. The first requires that the budget be balanced or in surplus every year beginning with this year. In contrast to many American states and the province of New Brunswick which have similar laws, this requirement covers capital spending as well as current. Exceptions are few in number, and they are very specific. Deficits may be incurred only if there is a war, a disaster or a 5 percent decline in revenue in one year. A decline of that magnitude has occurred only once since the 1930s.

If a deficit is incurred and the exceptions do not apply, all members of cabinet would have their salaries reduced by 20 percent. If a deficit is incurred for a second consecutive year, the penalty doubles to 40 percent of the salaries of the members of the Executive Council.

Mr. Deputy Speaker, I might say that, when I was at the financial markets in New York, they emphasized that as being real accountability, teeth in the legislation. They said that it is time that all governments put in place those kinds of sanctions to ensure that there are real and severe penalties for governments that do not meet their own targets, that do not keep their word on commitments of this magnitude such as balanced budgets.

Critics, of course, say that it ties the hands of government to respond to downturns in the economic cycle or unexpected disasters, for instance, forest fires, flooding situations and those kinds of things. That is not so. The Fiscal Stabilization Fund, of course, plays an important role in this legislation by providing the flexibility to deal with unexpected fluctuations in revenue or necessary expenditures that come on an urgent basis and still achieve the balanced budget.

The fund is somewhat like a provincial savings account where we set aside revenue in the good times to help out in the bad times. The Minister of Finance

must endeavour to maintain the fund at a level equal to 5 percent of annual provincial expenditures, which would be something just under \$300 million in today's context.

The second part, of course, provides repayment of the debt so that interest payments will decline over time. Since the taxpayers of Manitoba now spend approximately \$650 million a year in interest, this is a matter of no small importance.

The bill establishes a debt retirement fund and requires an annual deposit into the fund starting next year. The minimum annual deposit will be \$75 million plus a share of the interest costs savings which are achieved as the debt declines. Under these provisions the debt will be eliminated over 30 years.

The third provision of the bill will protect Manitoba taxpayers from increases in the rates of major taxes. These are the personal and corporate income taxes, the retail sales tax and, of course, the payroll tax. Together they account for fully 70 percent of our own source revenue. In effect, the bill extends the freeze on major tax rates that we have been enjoying since 1987 indefinitely into the future.

I point out that the draft legislation was printed in the budget last March so that details were in the public domain during the election of last April. I point out that members opposite were very fearful of criticizing that legislation during the election campaign because they knew that the public supports balanced budget legislation. They tiptoed around that so cautiously and carefully and never came out and said that they really opposed balanced budget. They said, we are in favour of balanced budgets, but we are not sure about legislation. You know, it is really the wishy-washy kind of thing that showed a party in real difficulty and a party of course that is very fearful of opposing something that was so evidently popular in the minds of the public.

Of course, Mr. Deputy Speaker, the public looks at it very simply. The public says, we are expected and we must, if we are going to have a reasonable quality of life, live within our means. We cannot indefinitely live beyond our means and expect that somehow things are

going to work out for our families. They say that in their homes; they say that on the farms; they say that in their small businesses; they live within their means; and, they say, we cannot understand why governments would not live within their means.

No doubt, of course, the members opposite having the election behind them and knowing that they may not have to face the public for four years or more, they now are sort of reverting to their own ideology, Mr. Deputy Speaker, and their own ideology says do not put anything in place that would restrict governments from spending all the money they want, from showering and lavishing all of the funds possible on their friends in the public sector union movement. That is the kind of thing that is irresponsible and that is why members opposite are going to stay in opposition for a long, long time.

Some of the most outrageous criticisms that I have heard in the course of this debate have come from the Leader of the Opposition (Mr. Doer), who said in the House, quote, people will be starving to death in our streets because you have a silly balanced budget legislation.

Well, when you hear such incredibly inane criticisms, you can be reasonably sure that the critic knows he is defending a very weak position. In fact, some of the critics have admitted as much. [interjection]

Would you please bring the member for Radisson (Ms. Cerilli) to order. She seems to be getting carried away with herself, and I am having difficulty hearing myself speak.

Some of the critics of course have admitted that they really do have a weak hand. At a recent convention of the Manitoba Federation of Labour in Brandon, outgoing President Susan Hart-Kulbaba announced that the federation would be mounting a campaign against Bill 2.

While admitting that public support is high even among union members as she told a Canadian Press reporter in obvious disgust and I quote, there is a whole bunch of union delegates who came to this convention who thought balanced budgets would be fine.

Well, it is her job to spend tens of thousands of dollars of her union members' hard-earned dues to convince them that they do not know what they are talking about. That is real leadership.

Weak or not, the criticisms levelled at the balanced budget bill should be addressed; so let us take a look at some of them. How about the claim that social services will be slashed and that people will be starving in the street? In fact, the real threat to social services is to continue running up the debt because higher debt means that the money which could be spent on services is instead diverted to paying interest on the debt.

* (1450)

This year, we expect to spend about \$650 million servicing our general purpose debt. Let us assume an NDP government came to power, Heaven forbid, and started running deficits of \$400 million a year; \$400 million a year is less than they were running consistently in the '80s when they were last in power. Let us assume that they run \$400 million a year. At current interest rates, they would add more than \$100 million to the annual debt charges in just three short years. It would take only eight years before annual interest costs toppled a billion dollars.

Where would they find the money to pay these outrageous interest charges? Would they raise taxes? Would they cut spending? Sooner, rather than later, they would have to do both of those things. That is, in fact, what Bob Rae found out to his chagrin. Because, if you just added the new interest cost to the deficit, the deficit would quickly exceed \$1 billion and the interest costs would be rising even faster. The power of compound interest is a wonderful thing if you are saving, but it becomes a terrible master if you are borrowing more money year after year. Just ask Bob Rae if you do not believe me.

To put this another way, when Sterling Lyon left office in November of 1981, the annual interest charges were less than \$100 million—less than \$100 million. By the time we took office in 1988, they were \$450 million higher. That additional \$450 million of annual interest costs would pay for a great deal of services and a few tax cuts, I might say, at the same time.

You know, there is a Free Press editorial on September 23 that claimed that the bill, quote, is full of stupidities, unquote.

Well, first on the list of their so-called stupidities was the bill's effective enforcement mechanism, namely, the salary penalty for cabinet ministers. But governments in this province throughout the past number of decades have run deficits continuously, in fact, continuously for over two decades through several complete business cycles. I believe it is clear evidence that governments have to do more than promise balanced budgets, because they have certainly done it in the past.

It must be a requirement, and that requirement must be backed up by meaningful sanctions. Independent observers agree. That is why the Canada West Foundation wrote, and I quote: The best single component of the Manitoba legislation is its clear enforcement mechanism.

Similarly, the International Centre for the Study of Public Debt, and I quote: The government of Manitoba is to be congratulated for introducing the penalty provision in this proposed act.

A recent survey of balanced budget laws of U.S. states concluded that tough provisions for noncompliance are necessary for an effective balanced budget law.

I also point out that an enforcement mechanism can only be considered stupid if you also consider it stupid to balance the budget, because why would you say it is stupid to have an effective enforcement mechanism in place if you believe in the principle that budgets should remain balanced?

The same editorial also argues that we cannot commit to balance the budget because it is just too hard to forecast revenue. Is the editorial suggesting that Manitoba has run deficits for two decades because the revenue forecasts were consistently wrong? Well, there is no question that it is not an exact science, no question about it. There can be transfers from Ottawa that are moved up and down as various estimates come through; there can be changes in the business cycle. But the interesting thing is that over the last 20 years

the average variance in the forecast revenues from the actual revenues is under 1 percent, less than 1 percent. More importantly, revenue has been underestimated more often than it has been overestimated during that period of 20 years. Cumulatively, in fact, the revenue has exceeded the forecast amounts by almost \$500 million over that 20-year period.

So, if you are worried about the estimates of revenue being the problem, they have been, in fact, underestimated, and the results show that \$500 million more over 20 years was in the budgets.

Spending estimates, of course, tend to be quite accurate because that is an area in which governments have direct control, and that is an area in which governments—I would say, certainly our government has been very, very accurate and certainly has not exceeded its forecast.

In short, deficits did not occur year after year because of forecasting errors in revenue. On average, over any period of a few years, the revenue forecasts tend to be not only pretty accurate but on the conservative side. Still there will be unanticipated fluctuations in revenue, and we will have to deal with them. That is why we have the Fiscal Stabilization Fund as a key feature of the legislation.

In years when revenue is greater than expected, the excess will not be spent the way it used to be by the members opposite when they were in government. If they got a little more revenue than they were expecting, they put out the word to departments to find ways to spend it, but we have not done that. We would not do that. The legislation would prevent it, in fact, Mr. Deputy Speaker.

The excess will not just be spent. It will be set aside in a provincial savings account. The money will be drawn out in years when revenue is weaker. This mechanism will smooth out those unpredictable year-to-year fluctuations in revenue.

Some critics, of course, have objected to the balanced budget and debt retirement provisions by arguing that government debt is just like a family mortgage. Just like a family mortgage, they say. So why not go into

debt like you do to mortgage your house? Why not go into debt to pay for roads and hospitals and schools and so on, say these critics? Unfortunately, the analogy does not work because history tells us that governments for the past three decades have not repaid the mortgage over any period of time. They have, in fact, just added to it and added to it and added to it.

Most people in their own homes pay off the deficit, pay off the mortgage. They work hard. But what has happened with governments is analogous to a family that takes out a mortgage and then finds that because it is not paying off that mortgage it has to take out a second mortgage, then a couple of car loans, then a vacation loan, then a loan to pay the interest on the loans, and so on and so forth. That is exactly why governments of all provinces in this country have gotten into the state that they are. That is why you need to have a provision to pay off the accumulated debt over a reasonable period of time.

Critics, of course, have taken issue with the taxpayer protection provisions of Bill 2. It is argued that the bill will protect only the rich from tax increases. That is absolutely flat out wrong, because one of the major areas in the bill that is protected is, of course, the sales tax and that is paid by everybody of any income level. Certainly, poor- and modest-income people will gain great benefit by knowing that the government cannot raise their sales tax without having a referendum.

Personal income taxes, of course—one Free Press columnist seems to think that income taxes, quote, hurt most those with money. That is the same columnist, I might say, who has written other columns arguing that our income tax system favours the rich. Well, which is it?

Is the income tax system hurting the rich or does it favour the rich? She has written both sides of the argument, I might say, in the past, but this time it is convenient for her to take this side of the argument. I might say that the majority of Manitobans pay income tax and every one of them would be hurt if it were not for the protection that is in this bill that restricts the ability to increase their taxes.

Thirdly, of course, the bill restricts increases in the payroll tax. Members opposite say, well, that only protects big businesses in this province, but most economists believe that payroll taxes are largely passed on to the employees in the form of lower wages or lost jobs. So Manitoba wage earners will also benefit from this bill.

Another criticism that we are hearing is that the government is playing games with the numbers and using accounting tricks to balance the budget. That is also not true and the argument on this point has a number of parts.

Firstly, it is noted that in some years the deficit would be larger if not for the draw from the Fiscal Stabilization Fund. Precisely. That is why the fund was created. That is why it was there in the first place. We have had the experience to know that it works. That is why it is an integral part of this bill.

In years when revenue is greater than expected, we will not spend it. We will save it for a rainy day. We think that makes for prudent fiscal management. The process though is entirely transparent. It is so transparent that even members opposite understand it when they see it in the annual financial statements and in the Auditor's Report. Even they can see through it. That is how transparent it is, Mr. Deputy Speaker.

The budget document, the quarterly financial reports, the public accounts, all show clearly what the deficit is before and after any transfers from the Fiscal Stabilization Fund. They show the amount of the transfer and they show the amount remaining in the Fiscal Stabilization Fund. Nothing is hidden and the accounting is very, very straightforward.

The second part of the argument concerns the Provincial Auditor's expressed view that future pension liabilities should be reflected in current accounts. Again, that information is all disclosed accurately in our financial statement so that nothing is hidden, and I might say that is a practice that has been followed in this province by successive governments dating back into the '60s. That practice is not new to this government, and it is a matter that has been referred to by successive Provincial Auditors, not just this one.

The fact of the matter is that it will be easier for us to be able to set aside funds for things like deferred pension liabilities once we have the balanced budget legislation and once we pay down the accumulated debt, because we will be reducing both the burden of the debt and the associated annual interest payments, making it easier for us to meet these future obligations. All of these matters are covered in the legislation. That is why it has been referred to by many, many observers as the best balanced budget legislation anywhere in North America.

Most importantly, and I say this, independent observers see how well this legislation is laid out. The fact that we say that there cannot be a change in accounting practices in order to achieve the balanced budget is referred to by the Canada West Foundation. In their report, they note: Changes in accounting practices may not be used to hide a deficit. The same accounting practices used to develop the budget must also be used to determine whether the government has actually balanced that budget at the end of the fiscal year.

So, Mr. Deputy Speaker, I have covered some of the criticisms that have been directed at Bill 2 by the opponents of fiscal responsibility, and I want to emphasize that independent observers have come out strongly in support of the legislation. Let me give you some examples. The Financial Post published an editorial entitled, Manitoba shows the way, which said, and I quote: Premier Gary Filmon and his Tory government deserve full marks for proposing a balanced budget law with teeth.

The Canada West Foundation prepared an analysis of the balanced budget legislation in the four provinces which have such laws. The foundation awarded Manitoba an A-plus. In contrast, Alberta received a B; Saskatchewan, whose legislation is supported by the New Democrats here, received a C; and New Brunswick, whose legislation is supported by the Liberals in this House, received an F.

The International Centre for the Study of Public Debt stated, and I quote: The government of Manitoba will soon have the best balanced budget law in Canada. In one piece of legislation, Manitoba's law should ensure

that the provincial debt will be eliminated over a period of time and that the tax burden does not increase. The features of the proposed Manitoba law are worth studying and adopting by other governments if they are serious about deficit and debt elimination.

I might tell you, Mr. Deputy Speaker, that when the Minister of Finance (Mr. Stefanson) and I were in New York, this was a topic that was referred to time and time and time again when we visited with all of the various brokerage firms in the New York market. In fact, the people from Merrill-Lynch said that this deserves to be written up in The Wall Street Journal. It is legislation that should be a model for people all over North America, is what they told us.

Let me conclude by reminding you of the critical link that members opposite never can understand, the critical link between fiscal policy and economic performance. If we were to follow the fiscal policy of our critics, the ones who think that balanced budgets lead to people starving in the streets, then we would be condemning the Manitoba economy to shoulder an ever-increasing burden of interest payments. To meet that burden, taxes would inevitably rise, leading to lower investment and lower spending by consumers. There would also have to be cuts in government services which support economic development, such as training and infrastructure maintenance.

As we have restored Manitoba to fiscal health, we have seen an increase in economic activity in this province. We are able, not only to preserve all of our vital government services while providing consumers and businesses with a stable tax environment, we are also attracting major investment.

Mr. Deputy Speaker, just in the last few weeks, we have had several hundred million dollars of new investments announced for Manitoba, jobs for Manitobans, economic activity. I have talked earlier about the fact that for the first nine months of this year, we have had an average of 14,000 more people employed in Manitoba than we did a year ago. I have talked about the fact that our manufacturing sector employment levels have been at almost all-time record highs, that we have seen reductions in our unemployment numbers and rate.

The balanced budget legislation commits governments of this province to maintain that state of fiscal health that we have today. As a direct result, it enhances and preserves a climate which is favourable to economic growth. In other words, Bill 2 is not just about keeping our finances in order. It is about enhancing our economic well-being today and into the future, and I invite all members to join with us in supporting this legislation, this far-seeking, visionary legislation that will ensure that Manitoba has the fundamentals in place to grow and strengthen and have a stable environment for economic activity for all time in future.

Thank you very much, Mr. Deputy Speaker.

* (1510)

House Business

Hon. Darren Praznik (Deputy Government House Leader): I know the member for St. Johns (Mr. Mackintosh) wishes to rise to address this issue.

Just on House business for a moment, I would like to announce the referral of the Annual Report of the Communities Economic Development Fund for March 31, 1995, to the Standing Committee on Economic Development, which is already scheduled to meet on Tuesday, October 24, 1995, at 10 a.m. to consider the same corporation's 1994 report.

As well, when this matter is concluded, I would ask if you could please call Bills 10, 17, 22, 31 and 6 for continuation of debate on second reading.

* * *

Mr. Gord Mackintosh (St. Johns): This is a very important debate for Manitobans and for this House and for members. It really is a quasi-constitutional document that is under discussion here. It is a rare kind of statute which purports to limit the powers of this Legislature and purports to limit the ability of governments to do whatever it wishes or sees in the best interest of Manitobans. It is somewhat, I suppose, like the Charter of Rights and Freedoms in that it does put restrictions on MLAs and governments, somewhat

like international or multijurisdictional trade agreements.

But it is interesting that despite the importance of this kind of legislation, we only had five Conservatives get up, by my count, and speak to this bill. I find that absolutely astounding, Mr. Deputy Speaker. I think that represents about 15 percent of the caucus members on that side.

So I suppose today, when the Premier (Mr. Filmon) got up—I am sure some people were begging him to get up and try and save this debate and turn things around, because it was obvious that this government was not really committed. I think, quite frankly, they are embarrassed by this legislation. I think there are many people over there who cannot support it. I think it also shows, on the part of some, a certain arrogance, that they do not have to justify; and, in fact, they could not rally themselves to make the necessary arguments in support of this bill.

It was interesting that when the First Minister (Mr. Filmon) was giving his remarks, he was going on about how rosy things have become particularly in the last year, and I think by listening to that the First Minister made the best argument as to why this bill is not even required.

It is interesting, this bill is the first quasi-constitutional type of document that it has brought in, and, of course, it is no surprise that it brought in this kind of legislation and did not, for example, bring in any legislation to require minimum standards for, say, poverty levels, health care or educational achievement. The quality-of-life objectives are not within this government's ambit. Improving the human condition and meeting need is rejected by this government. Indeed, I think this legislation shows that the overriding objective of this government is centred on the bottom line of each year.

That is the real symbol of this bill. The real symbol is that this bill represents the overriding, permeating objective of the Conservative government. Now I know the government actually wants the symbol to be something else. It wants the symbol to be one of fiscal prudence. It needs such a symbol, Mr. Deputy

Speaker. It is in desperate need of such a symbol. It needed that symbol going into an election campaign.

The Premier just got up and spoke about how the government held the line on taxes when we all know what the truth is, what the reality is, and that is that in 1992 and '93 there was a revenue grab by this government to the extent of an increase in the sales tax of 1.4 percent; in other words, 8.4 percent would be the effective sales tax rate of those increases in revenues.

This is the government, of course, that had deficits year after year after year including this year, a deficit of \$96 million. In 1992-93 this is the government, this government, this Conservative government, had the highest deficit ever in the history of Manitoba, this government a deficit of over \$800 million, and the debt was growing every year including this year, this year by \$141 million. That is a long way, Mr. Deputy Speaker, from the \$58-million surplus that the NDP left to this government in 1988-89. Oh, they needed a symbol, Mr. Deputy Speaker. They needed it badly.

Now, the other thing, this government really does not believe in this bill. Well, this bill requires a referendum. It requires a referendum in the event that the government seeks increases in particular categories of tax. What does the First Minister (Mr. Filmon), who came in here today and spouted off, really think about referendums?

Reading from Hansard, when we asked this government to consider a referendum on the arena issue, the true beliefs of the government came out when he said, "In our parliamentary democratic system in this country, which all of us are elected under and which all of us . . . support, Madam Speaker, the fact of the matter is that people elect governments on a whole series of issues: on a philosophy, on integrity, on leadership, on all sorts of issues. Primarily, though, they elect people to make judgments on their behalf, judgments that are ultimately in the best interests of the province and its future. We are in office with a mandate to exercise our judgment and to make decisions on a whole range of issues under new and changing circumstances . . ." And, by the way, rejected the notion of a referendum. According to the First Minister, that was contrary to his belief, contrary

to his vision and his understanding of parliamentary democracy, at least in Manitoba.

Now, it is interesting that, even if a government runs in an election on increasing revenues, increasing a certain tax, it still must, on attaining office, go back then to the people with an expensive referendum. I do not know where the sense of that is.

This document, this symbol, may have worked in the election, I do not know. It may have worked a bit for the government, I do not know. It may have worked a bit against them. But what it raises by its symbolism is the question of the integrity of this government and its members. This bill represents another reliance by this government on public relations, on public relations efforts and statements made that are not related to the reality.

I believe that it is a corrupting experience to be a member of this government. It is corrupting to have to rely on the facile symbolism of documents and initiatives like this bill.

Now, there are two features of this bill which lead me to say this. First, this bill can be amended as early as the next session. Second, when we examine the bill, we find hole after hole. It has been said that there are loopholes big enough in this bill to drive a truck through.

* (1520)

You know, I probably will not be on record as ever doing this again, but I am going to agree this one time with Paul Martin. He recently said that laws, bills like this are, and I quote, not the way to go. Apart from limiting the choices of duly elected governments, this legalistic approach simply encourages ingenious politicians and bureaucrats to spend time looking for ways to get around the rules through accounting hocus-pocus and subterfuges of various kinds—close quote.

Now, unfortunately, we must acknowledge that the bill does contain some limits on the ability of government to choose from some of the revenue options that currently it has available to it. But, given the ability to circumvent and smuggle in both new

revenues and deficits, whether, for example, through off-budget borrowing or revenue changes outside of those listed and those that require referendum, we have to conclude that the bill and its wording itself is only part of the threat to the quality of Manitobans' lives. We think that the worst threat is how governments like this one can use this legislation, how mean governments, how governments elected to protect the interests of those with with power and privilege will use the legislation.

The bill's repugnancy is that mean-spirited governments, like this one, can use the bill as an excuse to gut services to those most in need. They can use it to continue to intensify the politics of what I think is ignorance, intolerance and greed. They can use it to solidify the inequality that we are suffering in the Manitoba community.

They can use it to preserve the status quo. If you are happy with the status quo, then you should support the bill. If you are eagerly awaiting the loss of \$220 million in transfer payments from the federal government and the crunch that that will bring, then you should support this bill. If you are happy with the unemployment and poverty levels in Manitoba, then you should support this bill.

So the bill gives excuses. It gives excuses to the government, and, as well, it does limit in actual fact the ability of the government to deal in the best interests of the public with the ebb and flow of the business cycle. It will limit and can be used as an excuse not to invest in the future of Manitoba and the future of Manitobans. It can be used as an excuse and can serve to eliminate the government's ability to be a factor in the lives of Manitobans. It will reduce the ability in fact of the community to take control of its own destiny and to plan for its future and ensure its well-being.

It is interesting that a deficit under this legislation is okay under the bill if there is a loss of revenues in excess of \$270 million a year by our calculation. We want to know what the effect will be on growth, what the effect will be on the most vulnerable. We have not been given those answers, Mr. Deputy Speaker. While revenues can be reduced by up to \$270 million a year over four years, that will mean that revenues can

decrease by \$1 billion. That is 19 percent of current revenues. That is more than the entire Department of Education budget. It is more than half of the budget of the Department of Health. What effect will that have on our future? What effect will it have on growth, the economic argument? What effect will it have on the most vulnerable, the moral argument? The province can wait for a reduction of this magnitude, of \$1 billion over four years, and we will never get out of the hole.

Now, we have been saying time and time again that this government does not understand the importance of investment in people and long-term investments to ensure our well-being.

Again, I want to remind the government of an interesting experiment and project that took place in the United States called the Perry [phonetic] preschool project. I think it exemplifies more than any other investment how critical it is that we look ahead and we plan, that we accept the truth that investing today will result in savings in the future. The Perry [phonetic] preschool project was initiated by educators concerned about the disadvantages facing children from low-income homes when they began in the school system.

It was a 30-year study called a longitudinal study that followed individuals who were enrolled in high-quality early childhood education as children and compared them to a control group who had no such experience. As a group, the individuals in the childhood education program had significantly higher monthly earnings at age 27. More had found jobs, higher-earning jobs, had finished school, owned their own homes, even a second car, and fewer had been arrested, received special education or were dependent on welfare services.

Trying to assign an economic value, it was discovered that over the lifetime of the participants in the study, the preschool program returned to the public an estimated \$7.16 U.S. for every \$1 invested; in other words, I guess, \$1 invested, \$5 Canadian saved.

But investments aside, this government can say, no, we are not interested in investments, whether in capital projects, in human services. They can say, no, we cannot do that. The bill prevents me from doing that. Remember that bill back in 1995, and now, at a time

when the rich are getting richer like never before in this province, this government brings in this legislation.

Citing statistics from Frances Russell in the Free Press of October 6, 1995, she said, according to Revenue Canada, the number of people earning more than \$50,000 almost doubled in the first four years of the Filmon government. The number of people earning above \$70,000 rose by almost a third between '88 and '91. That year, just 15,600 individuals took home almost \$2 billion of the \$17 billion of total provincial income.

We do not need those figures really, Mr. Deputy Speaker. We can see right in front of our eyes, in our neighbourhoods, the effect of this government's policies on people, on our expectations, on the quality of life.

Now, I have argued many times, I believe, that those on the left in this country and in this province have a good reason and, I think, the strongest reason to recognize that balanced budgets are a virtue and to pursue equalizing revenues with expenditures when that can be done. When we are struggling to ensure a role for government in equalizing the social and economic condition, sound public finances and public confidence in the management of fiscal resources, I think, is a prerequisite.

I know the Premier (Mr. Filmon) got up today and wanted to build on a myth that New Democrats lavish money on problems and on people. He would like to believe that, and he did not take that from any of the speeches that were given on this side, Mr. Deputy Speaker. It is just a myth because we recognize on this side that the redistribution of income from the taxpayer to the moneylenders of the world, which results from unusually high debt load, is not in the interests of the working people and the people in need in this province.

But what we recognize on this side is that we also have to consider human need. We have to balance the present and future and the needs of the present and the future. There is a business cycle that this government has ignored in this legislation, and it is the biggest flaw underlying the bill. The International Monetary Fund has said about balanced budget legislation and I quote:

The costs of a balanced budget law are the loss of fiscal stabilization over the cycle and the loss of flexibility in reacting to shocks on expenditure or revenue—close quote.

* (1530)

The recurring cruel effects on people of the marketplace, especially in downturns in the business cycle, often necessitate some balancing. In other words, there must be a balance achieved not just between revenues and expenditures in every year; there must be a balancing out of the business cycle necessitating flexible financing.

We must balance the budget in the whole sense, Mr. Deputy Speaker, but this bill is an unbalanced budget bill. That is what it promotes. Balancing is not just revenue and expenses every year. Balancing requires a much broader view of community, of need.

I have often gone around and I have argued, well, this government thinks it is a business; the government is not in the business of making widgets, as it thinks. It is supposed to be in the business of making a community. But now I am going to have to rethink that part of my speech, because the government is not in fact like a business. It is not acting like at least a rational business or an intelligent business or a viable business, because it is purporting to limit the borrowing capability of its operation.

According to the government's task force on capital markets, I quote: The majority of small businesses usually require some debt financing. The report goes on to note that small business uses debt financing to purchase capital assets such as buildings and equipment and for current assets and ongoing operating costs; financing of operating costs is usually by way of loans, mortgages or leases backed by the required level of collateral security. They just do not get it. This bill cannot make a community, at least not a healthy one.

It is interesting, just outside of the Legislature, right next door, there is a church. In front of the church, there is a sign that is lit, and last week the sign said, we are more than our bottom line.

We are more than our bottom line. I think that sign was there to try and reach out to MLAs, catch their attention as they were coming to and from this building. The sign was saying to this government and its members, you have to balance the community's needs. I think it was saying, rethink your unbalanced budget bill.

What this bill is doing, it is saying that we are all just barnacles on the sinking ship of the marketplace. It says we are only here to serve the economy, be its slaves, rather than saying that the economy is here to serve us. It says we are just all winners and losers in the marketplace and dismisses us as a community, as beings who cherish security and dignity.

I could not believe it when I heard the First Minister (Mr. Filmon) today say that this bill represents, and I quote, "the long-term view."

This bill is the very opposite. This is the short-term view. The government is saying, like Groucho Marx has said, why should I care about posterity? What has posterity ever done for me? Well, Mr. Deputy Speaker, I am going to vote for posterity; I am going to vote against this silly bill and this silly public relations stunt.

In conclusion, we are now prepared to vote on this bill. Given that there is less than three weeks left of this session, we want to get this to the committee and hear the public representations. Thank you.

Mr. Deputy Speaker: The question before the House is second reading, Bill 2, on the proposed motion of the honourable Minister of Finance (Mr. Stefanson), The Balanced Budget, Debt Repayment and Taxpayer Protection and Consequential Amendment Act (Loi sur l'équilibre budgétaire, le remboursement de la dette et la protection des contribuables et apportant des modifications corrélatives). Is it the pleasure of the House to adopt the motion?

Some Honourable Members: No.

Voice Vote

Mr. Deputy Speaker: All those in favour of the motion, please say yea.

Some Honourable Members: Yea.

Mr. Deputy Speaker: All those opposed, say nay.

Some Honourable Members: Nay.

Mr. Deputy Speaker: In my opinion, the Yeas have it.

Formal Vote

Ms. Becky Barrett (Wellington): Yeas and Nays, Mr. Deputy Speaker.

Mr. Deputy Speaker: A recorded vote has been requested. Call in the members.

(Madam Speaker in the Chair)

Madam Speaker: Order, please. The question before the House is second reading, Bill 2, on the proposed motion of the honourable Minister of Finance (Mr. Stefanson).

Division

A RECORDED VOTE was taken, the result being as follows:

Yeas

Cummings, Derkach, Downey, Driedger, Dyck, Enns, Ernst, Filmon, Findlay, Gaudry, Gilleshammer, Helwer, Lamoureux, Laurendeau, McAlpine, McCrae, McIntosh, Mitchelson, Newman, Pallister, Penner, Pitura, Praznik, Radcliffe, Reimer, Render, Stefanson, Sveinson, Toews, Tweed, Vodrey.

Nays

Ashton, Barrett, Cerilli, Chomiak, Dewar, Doer, Evans (Brandon East), Evans (Interlake), Friesen, Jennissen, Lathlin, Mackintosh, Maloway, Martindale, McGifford, Mihychuk, Reid, Robinson, Sale, Santos, Struthers, Wowchuk.

Mr. Clerk (William Remnant): Yeas 31, Nays 22.

Madam Speaker: The motion is accordingly carried.

Mr. George Hickes (Point Douglas): I was paired with the member for Gladstone (Mr. Rocan). Had I not been paired, I would have voted against this bill. Thank you.

Madam Speaker: The hour being after 4 p.m., time for private members' hour.

PRIVATE MEMBERS' BUSINESS

Mr. Steve Ashton (Opposition House Leader): Madam Speaker, I was going to suggest that perhaps we move to five o'clock and that we consider the second resolution, No. 29, today and, with leave, leave No. 28 remaining on top of the Order Paper which means we would deal with that tomorrow. We obviously do not have time to deal with both private members' hours today, and that is our suggestion.

Madam Speaker: Is there leave to permit private member's Resolution 28 to remain standing in its current order on the Order Paper? [agreed]

Is there leave to call it five o'clock and begin the second hour of Private Members' Business? [agreed]

DEBATE ON SECOND READINGS— PUBLIC BILLS

Bill 201—The Health Services Insurance Amendment Act

Madam Speaker: Bill 201 (The Health Services Insurance Amendment Act; Loi modifiant la Loi sur l'assurance-maladie) standing in the name of the honourable member for Sturgeon Creek (Mr. McAlpine). Stand? Is there leave to permit the bill to remain standing? [agreed]

Bill 204—The Child and Family Services Amendment Act (2)

Madam Speaker: Bill 204 (The Child and Family Services Amendment Act (2); Loi no 2 modifiant la Loi sur les services à l'enfant et à la famille) standing in the name of the honourable member for St. Norbert (Mr.

Laurendeau). Is there leave to permit the bill to remain standing? [agreed]

Bill 205? Stand? [agreed] Bill 208? Stand? [agreed]

* (1640)

PROPOSED RESOLUTIONS

Res. 29—Pregnant Mare Urine

Mr. Mervin Tweed (Turtle Mountain): Madam Speaker, I move, seconded by the member for Morris (Mr. Pitura), that

WHEREAS Manitoba's economic growth in the agricultural sector depends on entrepreneurial spirit, innovation and the principles of sustainable development; and

WHEREAS Manitoba is the leader in western Canada's expanding PMU industry; and

WHEREAS Ayerst Organics Ltd. a processor of a necessary estrogen replacement product, is an example of a company which contributes to the province of Manitoba's reputation in animal husbandry; and

WHEREAS the continued growth and development of the PMU industry in Manitoba will bring lasting economic and medicinal benefits to all Manitobans.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba praise the expansion of companies such as Ayerst Organics Ltd. for their contributions to the provincial economy and for their work on behalf of the health of Manitobans.

Motion presented.

Mr. Tweed: Madam Speaker, I am disappointed that you could not read it again. It sounded very well coming from your voice also.

I rise today to speak on the important issue of the presence in Manitoba's agriculture sector, the pregnant mare urine industry.

As many of you in this Chamber are aware, the PMU industry is an important integral aspect of the agriculture sector of Manitoba. The expansion of Ayerst PMU operations in Brandon will invest an estimated \$80 million a year into the provincial economy. Over half of this \$80 million is expected to go directly to the province's 281 PMU farmers.

Due to the expansion of Ayerst a total of 36 permanent staff were added to the 50 workers already employed. Further, it is anticipated that there will be over 1,000 new jobs created through construction, farm operations and through directly related industries.

Total expenditures for the expansion will be over \$120 million. Due to this expansion 81 new PMU operations have been started in this province. Manitoba's domination of the PMU industry is demonstrated by the fact that of a total of 52,000 PMU mares in Canada, 30,000 are located right here in Manitoba. It is not yet known exactly what the extent of the economic spinoff will be from Ayerst, but it is anticipated to be quite substantial.

As you can see, the expansion of companies like Ayerst bring untold benefits not to just the immediate PMU producers but to the local community as well as the province as a whole. Companies such as Ayerst really illustrate the entrepreneurial spirit and innovative nature of people working in Manitoba's agricultural sector. Ayerst and all the PMU producers in the province clearly demonstrate that economic growth can be combined successfully with the principles of sustainable development. We have continually shown our commitment to the principles of sustainable development in all sectors including the PMU industry.

As with other sectors of the provincial economy, a healthy farm economy is important to all Manitobans. Through their hard work and efforts, PMU producers have constructed a successful and viable alternative to traditional livestock practices, one which is also in keeping with the principles of sustainable development.

I am aware that in the past, in this Chamber and in other public forums, there have been those who have directed unfair accusations towards the PMU industry and PMU producers. PMU producers have had their

reputations as well as their livelihoods damaged by misinformation and incorrect, outdated data. Much of the false information directed towards the PMU industry has been generated by people and groups with their own specific agenda. They are unconcerned with the truth and so distort the facts to serve their own needs. Unlike the opposition, the government of Manitoba, our government, is united in our support of the PMU industry.

Although I was not a member of the House at the time, I do recall hearing two different opinions regarding the PMU industry from the official opposition. On one hand, there are some members who said they supported the PMU industry; on the other hand, there were other members who were quite vocal in their criticisms of this important and vital industry.

There has been so much misinformation, confusion and propaganda aired over our approach to the PMU industry that I feel I must take this opportunity to set the record straight. A careful viewing of the facts and a precise review of all available information will prove that many of the misconceptions and falsehoods surrounding the PMU industry are irresponsible and groundless.

The PMU horse is often considered the most pampered of farm livestock, and producers ensure that their animals receive the best of care. It is in the best interest of the producer to ensure that their animals are well looked after. It certainly would reflect to me that is the way you take care of the goose that is laying the golden egg.

Most PMU producers come from farming backgrounds and farming families. As a result, they are aware of the importance of providing for their animals and maintaining a superior standard of care.

I do wonder if the critics of the PMU industry, and there are many of them in this Chamber, realize that when they attack the PMU industry, they are also attacking the jobs, the dignity of many hardworking men and women in the province. It is unfair and unfortunate that individuals who are trying to better themselves, their families and their communities are treated in such an ill manner.

The government of Manitoba has worked closely with PMU producers and the PMU industry to ensure standards of care are maintained. In order to ensure the welfare of the animals on PMU farms, we have established a code of practice for the care and handling of horses in PMU operations.

In combination with the establishment of a code of practice, a horse specialist was also recently hired by the Department of Agriculture to lend assistance and provide information, not only to the PMU industry, but also to other horse raisers and breeders in the province.

Branch inspectors of the Department of Agriculture are also available in the event of any complaints of inhumane treatment to PMU mares and foals. They are also available to assist PMU producers to ensure that they are meeting proper and adequate standards.

But the best watchdog of the PMU industry is probably the PMU industry itself. It has established its own code of ethics, and I know that Ayerst provides its own ongoing supervision of its operations. I am confident that, given these measures, PMU producers in Manitoba will no longer have to endure the kinds of criticism they have had to endure in the past.

Certain members of this House, instead of maligning the industry, whether it be through innuendo, false information or scare tactics, should support this industry and should support the benefits. It contributes to the whole province. When the farm economy is strong, the provincial economy is strong.

It is amazing, you know, when one really stops to think about how successful the PMU industry has become. Manitoba is a world leader in the production of a pharmaceutical product which brings health benefits to thousands of women around the world. Ayerst is the only company in the world which produces a natural estrogen from PMU, making it a natural product whose benefits have been well documented and substantiated.

Madam Speaker, I have witnessed many occasions when the opposition has called for co-operation from all parties of this House, and when we support and promote successful ventures such as the PMU industry,

we are attacked for trying to develop and sustain a viable commercial undertaking that brings significant income to Manitoba farmers and to the entire province.

I am calling on all members of this House to co-operate and support this resolution and to support PMU producers and the industry as a whole. Co-operation of all members of this Chamber is especially important in today's global economy. With the recent elimination of the Crow rate, the need for diversification on Manitoba farms is greater than ever.

* (1650)

During this time of uncertainty in the agricultural industry in changing world markets, we as a government have to do everything in our power to assist the agricultural producers of the province. I believe that we as a government are more than prepared to meet the challenges that the changing world economy will present to us. We will continue to assist Manitoba farmers to expand livestock production as well as to try alternative and nontraditional approaches to livestock production.

The PMU industry is a perfect example of an alternative farming method used by Manitoba farmers. Not only did the expansion of Ayerst generate significant employment for the immediate and surrounding area, the expansion of the PMU industry really demonstrated how Manitoba farmers can respond to changes in the agricultural sector in a positive and productive manner.

Madam Speaker, I would call on all members of the Legislative Assembly to support this resolution. Thank you.

Mr. Gary Doer (Leader of the Opposition): Right off the bat, all the guffawing and comments across the way indicate to us that we have a lot more growing up to do about this resolution and what we are going to do about it, Madam Speaker, because I think there are a couple of issues that we have to deal with.

I expected the members opposite to play partisan politics before the election. We expect that, but for the sake of this industry, and if you are really interested in

the industry more than you are in partisan politics, starting with the Deputy Premier (Mr. Downey) who I know has the dual role of Minister of Industry, Trade and Tourism and co-chair of the Conservative re-election committee, we better start taking a good, long, hard look at where we are going and how we are going to work together. [interjection]

Well, Madam Speaker, the Minister of Education (Mrs. McIntosh) makes some comments. We proposed last year that we have an all-party committee to deal with this industry, because members opposite may want to keep their heads in the sand, but this is not just an issue in Manitoba. This is an issue that we are going to have to deal with on an international stage, and the world is full of failures—[interjection] Let me finish. The world is full of failures, on an international stage, of governments and people who have not looked beyond petty politics and long-term issues and have ultimately resulted in the decline of the industry that they purport to support.

Whether you look at the seal industry in Newfoundland or whether you look at the consumer boycott on forest products in British Columbia, we live in an international community, and, Madam Speaker, I think we better get our act together in this province, because we can have our disagreements, but we are fighting on a world stage, and we have some challenges we have to deal with beyond self-congratulatory resolutions that are before us here today.

Madam Speaker, I—and I say this in all sincerity. When the London Times had this issue on the front page of the paper, we wrote a letter to the editor of the London Times to talk about the great way in which this industry worked in Manitoba and the great economic benefit and to try to dispel some of the myths. We wrote to the international community because we were speaking as part of Manitoba. We were speaking as one Manitoba group.

What did members opposite do? They would rather put out a press release in the local—you know, in terms of attacking people rather than standing up in an all-party way with the rest of Manitobans. We have to look at this issue. Why has this all-party committee not met?

I have met with the mayor of Brandon and talked to the mayor of Brandon. He says the Minister of Industry, Trade and Tourism (Mr. Downey) does not care about it, does not want to meet, does not want to get together. He would rather just play—

An Honourable Member: Is that what he said?

Mr. Doer: You have not called the meeting together. I have met with the head of the PMU agricultural industry. He says he too would like this all-party committee recommended by the NDP to get going. They too now want to get this committee going.

You know, we will let the ostriches across the way continue to cluck but, Madam Speaker, we have proposed this six months ago, eight months ago, and the Minister of Industry, Trade and Tourism is more concerned in partisan politics and self-congratulatory letters than they are about some of the long-term viability of this industry in an international market.

There is no question that this is a positive economic industry in Manitoba. It has a number of agricultural producers that are able to invest a lot of money and have revenue in this province. It has already been outlined by—[interjection]

Madam Speaker: Order, please.

Mr. Doer: Thank you, Madam Speaker.

There is no question that this produces tremendous economic benefit to Manitoba producers. It also produces a number of very, very important jobs, particularly in the community of Brandon. We have met with young people that work in the Brandon Ayerst plant, and they are very happy to have the jobs, and we are happy they do have those jobs and the payroll in the community of Brandon.

There is no question that the PMU producers are producing revenue from this industry that is very positive in many Manitoba communities. There is absolutely no question of that. To that we are all thankful. That we think is positive. But there are challenges on the horizon that we have to deal with in a more intelligent way, I suggest to members opposite,

than either you are for or against the industry in a very simplistic way.

There are very big challenges, and let us not fail in Manitoba, as other provinces have failed in other industries, in an international world, in an international community with, as Marshall McLuhan said, the global village. Let us not fail because we are so interested in pointing fingers at the member for Radisson (Ms. Cerilli) or the member for Swan River (Ms. Wowchuk) or somebody else. Let us not fail, and I say that the leadership should be right across from us on this point.

Now we have had the election. You tried to win some of the rural seats. You know, we are all over 18; we understand that. But now the election is over, let us get our act together. Let us get our act together about something that will be challenged. That is why we propose the all-party committee. We think it is very important—

An Honourable Member: Why do you not tell the truth? It was the mayor of Brandon that proposed it.

Mr. Doer: I wrote him, and I will table the letter. Well, I will have to get three copies, but—

An Honourable Member: You get three copies all right.

Mr. Doer: I wrote the minister—or I met with the mayor and the industry and wrote the letter proposing the committee.

Madam Speaker, the minister would do well to stop talking and start acting on this issue because, quite frankly, over the next three or four years, he is the minister responsible. If this thing continues to encounter difficulty on the international market, he could potentially—

Some Honourable Members: Oh, oh.

Madam Speaker: Order, please.

Mr. Doer: Madam Speaker, I know it is hard for the members opposite to be mature, but I would ask them to at least listen to our comments.

An Honourable Member: At least we tell the truth. Tell the truth.

Point of Order

Mr. Doer: A point of order, Madam Speaker, are you going to call the members opposite to order on a point of order?

Madam Speaker: Order, please. On the point of order, I would remind all honourable members that it is a courtesy to the member that is debating to allow that member to debate without interruption.

* * *

* (1700)

Mr. Doer: Thank you, Madam Speaker. So we have identified a very positive industry to which all of us are proud, whether it is the construction of the plant, whether it is the people working in the plant, whether it is the people working at the head office, whether it is producers that are in our communities, whether it is producers in those communities that are purchasing goods and services in our communities, all extremely positive, the establishment of the Ayerst plant at Brandon, positive, the expansion of the Ayerst plant in Brandon, positive, no question about that.

But we have some challenges on the horizon. When you have a European community that is critical of your industry, you can do two things. You can pretend that it does not exist, the criticism does not exist. You can pretend that it will not affect that industry, or you can deal with it. Now let me suggest that the B.C. forest industry tried to pretend that a consumer boycott would not make any difference to their industry. It took them three or four years and declining sales and markets in their communities for them to finally realize that they had to come up with acceptable international forestry practices so their products would not be subject to an international boycott. It took them three or four years, Madam Speaker.

I suggest to members opposite, you can pretend that this will not happen, or you can face the facts that it

will. Well, it is quite amazing to watch this happen across the way.

Madam Speaker, we believe that we must deal with this international criticism, and the Minister of Agriculture, it seems to us, finally agrees that he must deal with this as well. There is a code of conduct dealing with the animal issues in the PMU industry, and it has been proposed that there be regulations so that we not only be perceived to be handling the animals in this industry in a very acceptable worldwide way—that we are not only doing it, but we are perceived to be doing it.

We agree with Harry Enns, or the Minister of Agriculture, when he says there will be regulations because I think that is a good idea to take away some of the potential criticisms of this industry and of the PMU producers. I know that the PMU industry head wants to also deal with these ways, and that is why we are suggesting the all-party committee to deal with that.

So I suggest we can go the way of the B.C. forest industry and just pretend it is not a problem, or the minister can pretend that it is a challenge that we have to deal with. We have already written the London Times. Our Agriculture critic has already written the London Times to talk about why the criticisms were wrong and what we can do about it.

We also believe that estrogen and the production of estrogen, which produces the economic benefits that we have talked about in a very positive way, is also going to be an issue that we are going to have to address in this Legislature. There have been major reports out about estrogen, and we believe, Madam Speaker, that obviously it is a woman's right to take those prescription drugs if they choose, but there is going to be a considerable amount of education and information available to women making decisions about the use of estrogen.

I point to members opposite, the study that was produced last year by women family doctors that did say for certain cases estrogen is very, very positive in their opinion for some people, but for other people it would be very negative and could in fact be threatening to their health. It is a challenge we are going to have to

deal with and members opposite should be aware of it. I think they are also responsible for the health care system in Manitoba and the whole issue of estrogen and its utilization is an issue. You can say it is not, but it is, and it is better to deal with things from a sense of reality, especially dealing with these very, very important issues to people, than not.

The issue of the environment, we were criticized for raising the issue of the environment. We believe that any discharge in any river should have an environmental impact study whether it is Winnipeg putting their sewage in the river or Brandon or Swan River or any other community. It is not unique to Ayerst. It is not germane just to the Ayerst industry or the Ayerst lagoon issue. We think an environmental assessment is part of the new Environment Act. You have a proponent, you have a river system, you have a referee. It is the environment process, the environmental assessment process.

Madam Speaker, we talk about the economic benefits, we talk about the regulations that we think the Minister of Agriculture (Mr. Enns) is rightly proposing to deal with some of the concerns in the international community. Good idea. Let us see them. We talk about environmental consistency and we talk about the reality that we are going to have to deal with on estrogen.

This is a good industry for Manitoba. Let us work in an all-party way to deal with some of the challenges that are on the horizon. Yes, it has produced jobs; yes, it has produced revenues, badly needed revenues for farmers; yes, it has produced badly needed investments in our communities. All that is very positive and we acknowledge that. I stand here today acknowledging all the positive parts of this industry, but I do not want to repeat in Manitoba by our lack of co-operation, by our lack of working together, and I say that by our lack of working together and now that the election is over, let us work together on this industry.

An Honourable Member: Oh, sure.

Mr. Doer: Well, you choose to do what you want. Madam Speaker, we believe in the all-party committee—

Madam Speaker: Order, please. The honourable member's time has expired.

Mr. Frank Pitura (Morris): I would like to lend support to this resolution by the honourable member for Turtle Mountain (Mr. Tweed), and many of the things that our honourable opposition has brought up to date in regard to the entire industry, I could not agree more that we have to work together. This is an important industry to Manitoba that with certain interest groups, if left unchecked and we are not going to respond to them, we could see that this industry could encounter some problems. So we do need wholehearted support to ensure that this industry has a future in this province and that it is not subjected to some small interest group that wants to get rid of the industry.

The important thing here, Madam Speaker, is that, with the WGTA or the Crow benefit disappearing from Manitoba almost overnight in one little budget announcement, Manitoba producers are now faced with having to pick up a freight bill, something around the neighbourhood of about \$200 million a year. This is going to hurt our agricultural industry. We have seen this year that the commodity prices are stronger. That is going to try and offset this hurt a bit, but we Manitoba producers are continually looking at diversification opportunities and value-added opportunities.

The pregnant mares industry is an industry that gives a diversification opportunity. Also, in the right locations in this province, it is an opportunity for producers to engage in certain crop rotations that are also beneficial to the soils that are on their farms in terms of the amount of forages that are used in the rotation. It is also an industry that can utilize some of the feed grain that is produced in Manitoba, thereby lessening the effect of this abolition of the Crow.

* (1710)

The PMU industry in Manitoba, Madam Speaker, is an industry that can provide and does provide a very good return to its producers; and, as my honourable colleague for Turtle Mountain (Mr. Tweed) indicated, these producers are very conscientious about the

operations that they have, and they are not going to kill the goose that lays the golden egg.

Now this industry has come under attack by animal rights groups that maintain that the horses under the operation are being mistreated, mishandled and abused, but we also see animal rights groups affecting other components of livestock as well. In many cases, if they had their wishes, we would have a livestock-free economy. I think we all realize that livestock is the very basis and a strong basis of our agricultural industry here in Manitoba, in Canada and throughout North America and, indeed, the world.

I have had the pleasure, Madam Speaker, of visiting with the PMU operation in my constituency, and I would like to report that, on inspection of that operation, the particular individual takes very good care of the horses. Every horse, indeed, on that farm has a name, is treated almost like a pet in the family. So there is this gentle handling of those animals on that operation. I think that producers throughout this have a great deal of respect and will have a great deal of care for their animals.

Another important thing, Madam Speaker, is that this industry, when it was established—I can remember that back in the 1960s when this industry was first getting off the ground in Manitoba that it was a fledgling industry. It was an industry really that not too many people could conceptualize. There were a few people that took that plunge and started to have horses and get into the PMU industry. So it has been around this province a long time.

One important thing to note is that over the 30-some years that it has been in this province, it has never had to have a government subsidy to keep it going. So it is a very beneficial industry to this province and to the people of Manitoba from that aspect.

As my honourable colleague mentioned, the PMU industry in Manitoba has now 280 farms, a rapid growth in this industry, with 81 new operations. This industry is a good example of sustainable agriculture from the standpoint of utilizing the feed grains and utilizing the good crop rotation system in terms of soil

erosion control, soil conservation and also in terms of the great impact it has on the industry.

Just recently, in October of 1992, when Ayerst announced plans to triple their production in their plant at Brandon, they are projected to contribute more than \$80 million to the Manitoba economy. I understand that the majority of this money is going to end up in Manitoba producers' hands.

The total expansion will be somewhat in the neighbourhood of \$120 million, Madam Speaker. The inclusion and the occurring of more new jobs happening in Manitoba and as well the spin-off jobs over the years will probably be in the neighbourhood of about a thousand.

Now, in terms of the environmental impact of the Ayerst plant in Brandon, Manitoba Environment reports, and I think it has been substantiated, that there are no grounds to the claims that the Ayerst plant in Brandon has or is polluting the Assiniboine River.

The industry also has a code of practice which has been developed. We have seen codes of practices developed for the beef industry, for the hog industry, for the dairy industry, for the sheep industry and for the horse industry, and these codes of practices, as producers call themselves professionals, they will adhere to these codes of practices. This is their way that they will operate their industry.

Manitoba Agriculture has also employed a person as a horse specialist by the name of Ray Salmon. I happen to have known Ray for a number of years. I know that he is a very conscientious, highly professional type of person who has a very sincere interest in this industry, who will endeavour to help in the educational process with PMU operators to ensure that the code of practice is followed.

There will also be inspections on a frequent basis by Manitoba Agriculture officials to take a look at the PMU industry barns to see that they are indeed adhering to the code of practice. The whole industry is an industry that works together as a team because producers know that they have to have and follow a code of practice in order to ensure their future. They

are very concerned about the individual groups who would like to take their industry and eliminate it. I think that most of the people in the PMU industry today will gladly open their doors and allow the public, us the public, to come in, to have a look to ensure that their operations are being run according to the code of practice.

I think that is very important for this industry as the only way that they can counteract the antagonism towards the animals that they have or by the people who would like to see this industry halted. I think one of the comments made by our honourable members on the other side was that we were often self-congratulatory on this side with these kinds of operations. I do not think, Madam Speaker, we are self-congratulatory as much as we are proud of an industry in this province that is contributing jobs, contributing to the economy of this province. Of that, we are very proud, and I think Manitobans are proud in general.

But, yes, I will agree that the industry has some hurdles. I think that it has to be more open with the public. It has to hold itself open for scrutiny, and I think that if that is done all these innuendoes and scare tactics that are being carried out by these animal rights activists will fade away into the sunset.

I think even one of our members opposite, who is the MLA for Radisson (Ms. Cerilli), was even—I believe this is from the Hansard. It is from a letter that was sent to The University of Minnesota Hospital Clinic in Minneapolis, Minnesota, to a Dr. Lavalleur, and is signed by the member for Radisson. The letter says: Thank you for the interest you have expressed in the issue of the expanding use of hormone replacement therapy for women as well as the PMU plant expansion in Brandon, Manitoba, the environment and health. Enclosed is a paper for your consideration. Please call if you are interested in working to do education and organizing work on these issues.

It is not organizing to try and make this project happen; it is organizing to try and stop this project. The entire paper that is attached to this letter is filled with inaccurate statements that condemn the process of producing this Premarin drug, that condemn the use of

this Premarin drug, that condemn the plant from a health care standpoint, from an environmental standpoint and everything else.

I think, Madam Speaker, the point here is that as members of this Assembly we all have to work together to try to make this industry go, to make sure that the industry in terms of the code of practice that we have issued for it follows the code of practice and that it is very open about its affairs and to make sure that the future of this industry stays well and alive.

I would just like to mention one thing else. I know that estrogen is the hormone that is produced with pregnant mare operations. I know the members opposite indicated that eventually down the road this is going to have to be addressed as an issue in the Legislature, and that is probably true. There is also more to that than that. I think that recently, if my memory serves me correctly, we are even looking at some synthetic drugs now that will undoubtedly be competition for this business in the future.

I think that in regard to the whole industry, the way it is set up right now and the way it is heading is that it will have a long future, but it needs our entire support. So I thank you very much, Madam Speaker.

House Business

Hon. Jim Ernst (Government House Leader): On a matter of House business, I would like to inform the House that Bill 2, the balanced budget legislation, will be referred to the Standing Committee on Economic Development for a meeting to be held this Thursday, October 19, commencing at 7 p.m.

Madam Speaker: Bill 2 will be referred to the Standing Committee on Economic Development, 7 p.m., Thursday.

* * *

Hon. James Downey (Minister of Industry, Trade and Tourism): Madam Speaker, I will not take a long time, but I do want to clarify the record in the comments that I want to speak on the resolution that is very appropriate from the member for Turtle Mountain

(Mr. Tweed) and very capably spoken to by the member for Morris (Mr. Pitura), because I will be interested to hear where the member for Swan River (Ms. Wowchuk) is going to come down on this one, because she flip-flopped all over the place in the last few months.

Madam Speaker, for the record, why did this all come about? You know, we heard the arsonists today trying to put out the fire. The Leader of the New Democratic Party is trying to put out the fire.

Point of Order

Mr. Doer: Madam Speaker, on a point of order, I am sure the Speaker has noted that, to allege that somebody, through his gesture, has committed a criminal act is against our rules, and I am sure you would want to not allow this.

Madam Speaker: Order, please. I did not hear the exact words that the minister reiterated. I will take it under advisement and peruse Hansard and, if necessary, report back to the House.

* * *

* (1720)

Mr. Downey: Why has this whole issue started and been propelled into the arena the way in which it has? It is because the member for Radisson (Ms. Cerilli) in a letter and in a petition to a clinic in Minnesota some two years, prior to all these letters, the member makes reference to, speaking out, getting the people of the international community excited about what was going on in Manitoba, about the production of Premarin, about the production of PMU activities, that is why all of this started.

It did not come from the PMU industry. It did not come from the health industry. It came from the left-wing member for Radisson and her radical approach to what is going on in this province. That is what this is all about. That is what started this whole thing, and it is clearly on the record. Her phone number to be phoned when people phoning in opposition and concern about what was going on in Manitoba with the

PMU industry. So single-handedly she was the one who stirred this whole thing up in opposition to the PMU industry in Manitoba. She should take the whole credit for it because she is the cause of all this.

What did it cause to have it, Madam Speaker? Certainly the NDP Leader, (Mr. Doer) on March 31 of 1994 wrote a letter to Charles Knockaert saying, look, we are for the industry. Trying to, again, do damage control for what his member for Radisson in fact had done to him. The same day he forced his member, or I am sure she had a change of mind, but on the 31st, the same day she wrote a letter to the PETA saying, stop using the NDP name in the—[interjection] Why would she? She wanted all the opposition phoned to her office. It is on the letter that she sent out in the petition: Petition us to make sure we get after the PMU industry. It is clearly on the record. Then they realized how much trouble they were still in and so then—and this is the other problem that I have—when the Leader of the opposition party says that I should have—[interjection]

Madam Speaker: Order, please.

Mr. Downey: He makes a big to-do, Madam Speaker. In fact, on the 18th of January he writes a letter to the mayor of the City of Brandon. Now he is claiming that it is his idea that we get together in an all-party task force. The last time I can recall, it was the mayor of Brandon who called us, and he phoned me and he met with us and he said, we are concerned about the image the PMU industry is getting in the international marketplace. We suggest—the mayor of Brandon suggested—we get an all-party committee together. And, of course, the NDP Leader says, good idea. It is a great way to cover up some more of what we have caused and try to cover up the problems that we have started, and we will now take credit for this.

But it was an appropriate time, Madam Speaker, talking about elections and preparing for an election. He knew there was an election coming, so on the 18th of January, 1995, he says, I will cover the tracks even better. We will initiate this proposal. We have had a few meetings. We had a meeting with the industry, representatives from the industry, and we will continue to meet with the industry, with the City of Brandon and

of course as a collective group. Yes, we welcome the NDP party, but I do not want the record to state that it was his idea, that it was anything more than him trying to cover his tracks for the irresponsible action of his member for Radisson (Ms. Cerilli) who started this whole thing, brought the attacks on the PMU industry in Manitoba.

It has been spoken to very capably, so the record now is clear. It was the mayor of Brandon who called for the all-party committee. It was the member for Radisson who started this whole business of accusing the livestock producers of being cruel to their animals, Madam Speaker. Absolutely untrue, that the Premarin had not been tested. It has been in the marketplace for almost 30 years and no one has been able to prove that it is not a very, very good product. Of course, my colleague the Minister of Environment (Mr. Cummings) can speak to it, that there is continuous testing of the river and an environmental licence has been issued so that there is not any damage to the Assiniboine River.

Madam Speaker, this is nothing more than a clear effort by the Leader of the Opposition (Mr. Doer) to try to carry out damage control and put a bunch of ill informed and misinformation on the record. Thank you.

Ms. Rosann Wowchuk (Swan River): Madam Speaker, over the rhetoric, I did not hear you.

Madam Speaker, following those comments, it is very important that we do set the record straight because the Minister of Industry, Trade and Tourism did not put some factual information on the record.

Dealing with this resolution I want to say that I want to tell the member who introduced this resolution that I wish that he had been a little bit more progressive in the resolution rather than just congratulating the government, that he would ask them to introduce the regulations, encourage the government to introduce regulations and to pull together the all-party committee that has been proposed. Those would be things that would be positive actions rather than just congratulating the government. There are other things that we have to do.

Madam Speaker, with respect to the all-party committee, the Minister of Industry, Trade and Tourism does not have his facts straight. It is in fact as a result of a meeting that we had in Brandon with the mayor of Brandon and PMU Ayerst representatives when we had the discussion on how we could work with the industry. It was at the suggestion of our Leader and other members who were there that we said there should be an all-party committee established and that would be the way we could deal with this.

Quite frankly, I think that was a very good suggestion and the Minister of Industry, Trade and Tourism took the initiative and said there would be an all-party committee. He even called for names of people who would be on that committee. But, again, that was only before the election. They are not prepared to take action now to address the real concerns because we are facing real challenges in this industry, and it requires all of us to work together.

This government is not prepared to do that. They would rather play cheap politics rather than address the real issues, Madam Speaker, and there are real issues here. [interjection] The member across the way talks about damage control. He better start looking at his own damage control.

The minister talks about the letters that were sent. Certainly. We sent a letter to the London Times, telling them that they were wrong in what they did, the statements that they made, and we invited them to come to Canada to look at the industry. We did not hear this government doing any of that. When the animal rights people took statements out of context and started to publish them, our Environment critic, the member for Radisson (Ms. Cerilli), wrote to them and asked them not to use her name in their literature.

With respect to this industry, it is an important industry to the economy of this province. It is important to the community of Brandon, where there are many jobs resulting in it. It is important to the economy of rural Manitoba. It is very important in my constituency, where there are many PMU operators. It had a great impact on the building industry when a number of barns were built several years ago.

I have talked to the people in the industry, and they have no problem with the minister bringing in regulations, and they are waiting. There are people in my constituency who have said they are waiting for this. The minister in a statement said that he would be updating The Animal Husbandry Act. He was supposed to be addressing that, and we are waiting for those. There are concerns and problems that have to be addressed.

There are misconceptions out there with respect to how the animals are being treated, and the industry has to be regulated.

Point of Order

Hon. Leonard Derkach (Minister of Rural Development): The member for Swan River has indicated that she has spoken to PMU producers who are waiting for information from this government, and I would like her to table those names, because I know the producers, and it would be appropriate for her to table those names.

Madam Speaker: Order, please. The honourable Minister of Rural Development does not have a point of order.

* * *

* (1730)

Ms. Wowchuk: With respect to that challenge, if the minister is so familiar with the people in the industry, he would know what is going on, but he does not. He is not familiar with the concerns.

Madam Speaker, there are many challenges. The member for Morris (Mr. Pitura) talked about the scare tactics. There are—[interjection]

Madam Speaker: Order, please.

Ms. Wowchuk: Madam Speaker, I think the Minister of Education (Mrs. McIntosh) cannot answer questions that come to her during Question Period, but she seems to have comments that she wants to make on the PMU

industry. I welcome her to make those comments when I finish mine.

Madam Speaker: Order, please. I would remind all honourable members once again. There is bantering going back and forth here like it is going out of style. I would ask for the co-operation of all honourable members to accede the floor to the member that has been recognized. It is only common courtesy.

Ms. Wowchuk: There is need for regulation. I am very pleased that the government did take action and appoint an inspector, a specialist. There was a problem in the industry this summer when there was an outbreak of swamp fever. It was through that horse inspector that has been put in place that the information got out to other producers in the area, and the problem was addressed.

That is one step in appointing an inspector, but the Minister of Agriculture (Mr. Enns) did make commitments to put in regulations and update The Animal Husbandry Act. We are looking for that from the minister because those are the things that we need to do. We need to work together as a committee to address the concerns. The minister has to bring forward the regulations that will result in much of the scepticism about the industry that is there right now being taken away. That is what we have to do.

It is unfortunate that rather than addressing those issues we have to revert to petty politics. Members across the way should just forget about that kind of stuff and just deal with the real issues because it is through their actions and their press releases that this issue has been stirred up in Manitoba, and their actions have hurt the producers in Manitoba.

The issue of environment is important. We have the issue raised about the lagoons in Brandon and the environmental impact. It is unfortunate that the government chose to go the route of not having an environmental impact assessment. No matter which project we have in this province, if we are going to diversify our economy and it is going to have an impact on the other resources, such as water or soil or the forest, there should be a full environmental impact assessment. That should be put in place.

Point of Order

Hon. Glen Cummings (Minister of Environment): On a point of order, Madam Speaker. Would the member then advocate environmental hearings on hog barns?

Madam Speaker: Order, please. The honourable Minister of Environment does not have a point of order.

* * *

Ms. Wowchuk: The Minister of Environment just raised the hog industry. There are certainly going to be some real challenges in the hog industry with respect to the environment. I look forward to seeing how this government is going to enforce regulations that have been put in place on environmental guidelines because again, no matter which industry we have, we have to be sure that one person's benefit is not compromising another one. We should not be compromising another person's water supply. We should not be compromising another person's ability to make a living. All of those things have to be taken into consideration—fishermen, all of those people, have to be taken into consideration.

The member across the way also talked about the women's issues that must be addressed, and certainly there are a lot of studies on both sides of the issues as to whether the use of estrogen is positive or negative on women. I would encourage this government to look at all sides of this and make an effort to provide women with the information to allow them to make choices. There are many women, Madam Speaker, who choose not to take estrogen. That is their choice. But there are many women who do not have the information, and that is the role of government in preventative health, which they spout about, getting all the information out to women.

Madam Speaker, the member across the way talks about going to the physician and there are opportunities, but at that physician there should be information available on both sides. It is a matter of education, and this government should not be afraid. You should not be afraid to provide women with choices. It is a very simple choice.

Madam Speaker, I think that we see that this government is paying themselves platitudes and talking about sustainable development here, but I do not believe they have addressed all the issues.

I want to state clearly that I believe that the PMU industry is a good industry in Manitoba; and, for the members across the way, if they check the records, that has always been the position of members of this side of the House. We recognize, but we want the industry to be run right and we look forward to regulations.

We look forward to the Minister of Industry, Trade and Tourism (Mr. Downey) who, I understand, is responsible for calling the all-party committee on the industry—I look forward to the day when he is going to call that committee because he has said that he would.

He called for some names to be submitted prior to the election, but he has not done it.

So I want to say to the member who introduced this resolution, it is a resolution worthy of discussion. I hoped he would have put more comments on the record with respect to sustainability, and I wish he would have made comments with respect to the regulations in the industry. But, certainly, I would again say to the Minister of Industry—

Madam Speaker: Order, please. When this matter is again before the House, the honourable member for Swan River will have three minutes remaining.

As previously agreed, the hour being six o'clock, this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, October 17, 1995

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